Austria Sch 18	Indonesia Rp 2500	Portugal Esc 75
Bahrain Din 0.650	Italy L 1100	S. Arabia Rls 6.00
Belgium BFr 38	Japan Y350	Singapore S$4.10
Canada C$2.00	Jordan Fils 500	Spain Pta 100
Cyprus Mils 600	Kuwait Fils 500	Sri Lanka Rup 30
Denmark DKr 7.75	Lebanon L 6.00	Sweden SKr 6.50
Egypt LE1.00	Luxembourg LFr 38	Switzerland SFr 2.00
Finland Fmk 5.50	Malaysia Rs 4.25	Taiwan NT$65
France Fr 6.00	Mexico Pes 300	Tunisia Din 0.600
Germany DM 2.20	Morocco Dh 6.00	Turkey L 160
Greece Dr 60	Netherlands Fl 2.50	U.A.E. Dh 6.50
Hong Kong HK$12	Norway NKr 6.00	U.S.A. $1.50
India Rs 15	Philippines Pes 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,329 — Thursday May 24 1984 — D 8523 B

The dilemma facing French energy planners, Page 24

NEWS SUMMARY

GENERAL

UK coal talks end in deadlock

First talks between Britain's National Coal Board (NCB) and the miners' union since the coal dispute started more than 10 weeks ago ended in deadlock.

The talks, at the NCB's London headquarters, finished after 70 minutes. Miners' president Arthur Scargill insisted that the board should drop proposals to close 20 pits before any discussions on the industry's future could continue. The board refused to back down. Page 10

Great debate

Britain's House of Commons last night was continuing one of its longest sessions of the century, not having risen on Tuesday.

The debate that kept going, on plans to suspend next year's Greater London and other metropolitan county elections because these authorities are to be abolished, started in the afternoon on Tuesday. Page 8

Streets cleared

Bombay's estimated one million pavement dwellers have left Hindu-Moslem riot areas for more peaceful districts. Thousands of people did not work today, and many who did were sent home early. Death toll mounts, Page 4

Belgian expulsion

Belgium has given a Soviet diplomat, believed to be the first secretary at the Brussels embassy, a week to leave the country. An alleged Soviet agent, who escaped arrest after a car chase on Saturday, has been located and will leave Belgium on Saturday.

Ex-envoy defects

Former Afghan chargé d'affaires in Moscow, Abdul Majid Mangal, has fled to Pakistan with his family to join the Afghan resistance movement.

Ulster boycott ends

The Official Ulster Unionist Party decided to end its six-month boycott of the Northern Ireland Assembly.

Ariane success

The first commercial flight of Ariane, the West European space satellite launcher, was a success although the countdown in French Guiana was more than two hours' late. Page 3

Catalan bank charges

Catalan regional government president Jordi Pujol and 24 others were charged with embezzlement and forgery in the management of Banca Catalana, the Spanish bank that collapsed in 1982. Page 26

Israelis accused

Twenty-five Israelis, mostly West Bank settlers, were charged with setting up a terrorist organisation, murdering Arabs and other crimes.

Sri Lanka move

Sri Lanka, which severed diplomatic relations with Israel 14 years ago, is to use Israeli experts to train anti-guerrilla forces.

Iran executions

Iran executed 25 people convicted of producing and distributing drugs.

Corrupt policeman

A Chinese policeman who accepted 68,000 yuan ($34,000) in cash and goods over five years in exchange for exit visas was executed.

Bogota bombings

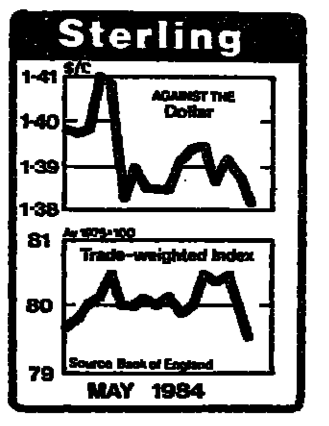
Two people were killed in bombings in the Colombian capital of Bogota at the offices of Honduran airline Sahsa and U.S. and Chinese diplomatic premises.

BUSINESS

Sterling at record low against $

STERLING, hit by the strength of the dollar and the failure of coal strike talks, closed 85 points down at a record closing low of $1.3805. It fell to DM 3.8 (from DM 3.815), FFr 11.675 (FFr 11.72), SwFr 3.1375 (SwFr 3.1525) and Y320 (Y324.25). Its Bank of England trade-weighted index fell from 80 to 79.5. In New York it closed at $1.373. Page 49

DOLLAR advanced to DM 2.7505 (DM 2.744), FFr 8.4575 (FFr 8.44) and SwFr 2.271 (SwFr 2.267), but eased to Y231.6 (Y233.35). Its trade weighting, calculated before its late surge, was down to 131.1 (131.4). In New York it closed at DM 2.7692, FFr 8.5175, SwFr 2.2087 and Y232.37. Page 49



LONDON: FT Industrial Ordinary index fell 8.7 to 847.6. Some government securities showed marginal falls. Report, Page 43. FT Share Information Service, Pages 44, 45

WALL STREET: Dow Jones Industrial Average was down 2.82 at 1,113.80 at the close. Report, Page 39. Full share prices, Pages 40–42

TOKYO: Nikkei Dow index dropped 38.48 to 10,023.46, and the Stock Exchange index eased 2.88 to 787.4. Report, Page 39. Leading prices, other exchanges, Page 42

GOLD fell $0.25 in London to $377.75. In Frankfurt it dropped $0.75 to $378.75, and in Zurich it was $1 down at $378.75. In New York the Comex settlement for May was $379.7. Page 48

GREECE still needs to raise $850m on commercial markets to meet its foreign borrowing needs this year. Page 27

IRAN'S oil exports, 1.8m barrels a day in early April, are now under 1m a day, say Gulf experts.

YUGOSLAVIA signed an agreement to reschedule an estimated $800m repayments due to Western Governments this year. Page 3

RENAULT, the French state vehicle group, reported that its net consolidated deficit increased 23 per cent in 1983 to FFr 1.58bn ($187.4m), and that it does not expect to return to profit for another 18 months to two years. Page 26

OLIVETTI, the Italian office equipment group, expects its U.S. sales to double this year to $500m, following AT&T's acquisition of a quarter of its equity. Page 28

VEBA, West German and industrial group, reported first-quarter net profits 89 per cent up at DM 119m ($43.5m). Page 28

DAIMLER-BENZ, the West German vehicle group, reported output 10 per cent up in the first four months, and first-quarter sales revenue 5 per cent up at DM 10bn ($3.6bn). Page 28

The editorial content of today's international edition has been restricted because of continuing industrial action by IG Druck und Papier at Frankfurter Societäts-Druckerei, where the edition is printed. This prevents the publication of late-breaking news, the final Wall Street report and closing U.S. over-the-counter and Canadian share prices.

THREATS TO GULF SUPPLIES WORRY NAKASONE

Japan to call for agreement on freeing oil stocks

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN TOKYO

JAPAN IS to make an urgent request to the U.S. and other advanced countries to agree to release their strategic stockpiles of oil in the event of a worsening of the Gulf crisis.

In an interview with British journalists, Mr Yasuhiro Nakasone, the Japanese Prime Minister, said yesterday that this would be the most pressing topic for the seven-nation economic summit meeting to be held in London in two weeks.

It will also tackle the issues of world trade and ways of easing the Third World's debt problem.

Mr Nakasone, who held talks in Tokyo yesterday with the Iraqi Foreign Minister, Mr Tariq Aziz, said there was as yet no understanding with the U.S. about the release of its government stockpiles if the world should be faced with a sudden oil shortage.

But he said: "The countries should consult with each other first with the idea of releasing government stockpiles, and at the same time we need to consider possible concerted action."

Mr Nakasone said he was optimistic that agreement could be reached among the nations attending the summit for a joint approach to the threat which the Iran-Iraq war poses to the traffic of oil through the Gulf.

The Japanese Prime Minister had earlier told the Iraqi Foreign Minister that he would use his influence with Japanese importers to reduce their reliance on Iranian oil imports. However, Mr Aziz has been told that a suspension is impossible and that the complete ostracism of Iran might not be desirable.

Mr Nakasone also made clear that he would be making vigorous efforts at the summit to promote a longer-term plan for easing the Third World's debt problems.

After the recent discussions among finance ministers and central bankers, Mr Nakasone said he hoped the summit leaders would consult to see whether "counter-measures" could be agreed to deal with the medium- to long-term problems of debt-ridden nations.

This reflects a growing anxiety, particularly among central bankers, that any further rise in U.S. interest rates would precipitate a serious financial crisis, unless some form of "safety net" had already been arranged.

The Japanese Prime Minister also made clear that he would be on the offensive when it came to the traditional summit arguments about the imbalance of his country's trade with the rest of the world.

He will refer to what he described as "bold measures" to liberalise Japanese financial markets, on which agreement was reached with the U.S. in Rome yesterday. These, he said, would include the dismantling of obstructions to participation in Japanese capital markets, a freeing of domestic interest rates and a removal of obstacles against the issue by foreign banks of Euroyen bonds.

Mr Nakasone also said that Japan had announced four separate packages to reduce trade barriers since he became Prime Minister.

Gulf states pledge defence limits, Page 4; Editorial comment, Page 24

Strikes add to concern on W. German recovery

BY RUPERT CORNWELL IN BONN

WEST GERMANY'S economic recovery may be running out of steam, according to the latest survey carried out by IFO, the Munich-based economic research institute.

The report, published on the eve of a fresh attempt by management and union to settle the 10-day-old engineering strike in West Germany, says that manufacturers of capital, durable and consumer goods are experiencing a slow-down in orders.

The companies have already seen output stagnate or expect it to do so in the next few months, according to IFO.

The survey conducted in April, before strikes began in earnest in the key engineering industry regions around Stuttgart and Frankfurt. The institute believes, however, that worries about severe disruption helped to cut back the optimism previously shown by manufacturers.

The IFO findings will reinforce fears that a protracted battle in the engineering industry over the claim for a 35-hour working week will destroy hopes that the economy might expand by three to 3.5 per cent this year.

IG Metall, the engineering union, and Gesamtmetall, the employers' association, are due to meet in Stuttgart today, as the dispute appears to be widening.

Yesterday, unions affiliated to the DGB, the national labour federation, staged solidarity strikes to protest against the lock-out of 65,000 employees which started on Tuesday in Baden-Württemberg, around Stuttgart.

In that area alone, according to union spokesmen, more than 100,000 men took part in yesterday's demonstrations.

IG Metall suffered a setback yesterday when the Federal Labour Office confirmed its ruling that short-time or unemployment pay should not be paid by the state to workers laid off at companies not directly strike-bound.

This is particularly the case in the car industry, which may be close to complete standstill by the end of this week as supplies of essential components dry up.

Daimer-Benz lifts output, Page 28

Dutch offer finance to build Inmos plant

BY JASON CRISP IN LONDON AND WALTER ELLIS IN AMSTERDAM

A DUTCH consortium which includes Dutch regional government interests has approached Inmos, the British state-backed microchip company, offering to finance a large new semiconductor plant in a depressed part of the Netherlands.

The proposal is likely to be particularly controversial because Inmos has been widely criticised for its failure to create jobs in the UK. But the deal could solve part of Inmos' financing problems. A new plant, which would probably start production in 1987, would cost over £50m ($69m) to build.

The Dutch have been talking to Inmos for several months and no final decisions have been reached by the company. Inmos is 75 per cent owned by the British Technology Group and has been backed by over £100m of UK Government money.

Earlier this month, Inmos reported it had moved into profit after losses since it was set up six years ago. The company now needs further finance to expand. At the same time, the British Government is seeking to reduce its holding. A number of companies have shown an interest in buying Inmos including American Telephone and Telegraph (AT & T).

Inmos wants to spend about £20m expanding its semiconductor plant in Newport, South Wales. The company would like to raise this through a share placement in the City of London or a partial public flotation. Until recently this would have been impossible because of its heavy losses.

But Inmos still faces a much larger problem of how to finance the building of its third semiconductor plant which it will need in three or four years.

If Inmos secured the finance from the Dutch, it could strengthen its arguments to remain independent. However, the British Government may be keen to dispose of Inmos to another company.

The Dutch area of Limburg is particularly keen for Inmos to build a new plant there. The proposal has been led by the Limburg Institute for Development and Finance.

Continental Illinois cuts borrowings

By William Hall in New York

CONTINENTAL ILLINOIS, the big Chicago bank which suffered a major run on its deposits last week, said yesterday that it had roughly halved, to $2bn, its daily borrowings from the Federal Reserve, the lender of last resort to the U.S. banking system.

Continental has increased its reliance on the $5.5bn "safety-net" provided by 28 leading U.S. commercial banks but says that its overall reliance on emergency sources of funds has fallen noticeably since the $7.5bn rescue package was announced last Thursday.

The reassuring comments from the group followed further heavy trading in Continental shares as Wall Street investors reacted adversely to the recent rescue package. Yesterday morning Continental's shares, which had started the year at $21¾, fell another $1, touching a new low of $8, before recovering somewhat.

Continued on Page 26

'Bugs' may keep track of U.S. computer exports

By Louise Kehoe in San Francisco

THE U.S. Customs Service plans to place tracking devices in computer and electronics equipment shipped overseas, under an export control scheme codenamed "Project Rampart."

According to customs officials the project is classified as secret; but they confirmed its existence and said that U.S. electronics manufacturers had been contacted to discuss its feasibility.

Although the Customs Service declined to give details of the scheme, it is understood to involve placing coded radio transmitters inside computers and strategically significant electronic equipment such as semiconductor production machinery. Industry sources said the transmitters would allow customs officials to identify shipments as they left U.S. ports. The transmitters would continue to operate when the U.S.-built equipment reached its overseas destination.

U.S. Government officials would then be able to check, possibly without the knowledge of foreign customers, on the movement of the equipment and to verify whether it had been delivered to the location specified in U.S. export licence applications.

The Customs Service plans to supply the radio transmitters to U.S. companies with instructions that they be placed inside products as a means of verifying export licences, the officials say.

They suggest that highly sensitive technology, such as semiconductor production equipment, will initially be involved in a trial of the project which, according to U.S. Government officials, will start before the end of this year.

U.S. reports suggest that electronics companies have expressed no significant opposition to the plan. Executives of semiconductor production equipment manufacturers, however, described it as "another crazy, hare-brained scheme" that had no hope of achieving its apparent goal of protecting U.S. technology from falling into foreign hands.

"If I wanted to export a piece of equipment illegally, which I do not, then why should I knowingly place a bug in it?" asked the senior executive of one of the largest U.S. equipment makers. "I would simply remove the bug, place it in a room and move the equipment elsewhere if I wanted to outwit the system," said an executive of a U.S. mainframe computer company.

U.S. agencies enforce export controls, Page 7.

Ultramar and Allied Corp bid for Enstar

BY CLIVE WOLMAN IN NEW YORK AND DOMINIC LAWSON IN LONDON

ALLIED CORPORATION, the giant U.S. oil and chemicals energy and aerospace conglomerate, has joined with Ultramar, the British oil company, to bid for control of Enstar, a loss-making Houston, U.S., oil and gas exploration company.

Unimar company, a partnership set up by Allied and Ultramar, is making a cash tender offer of $18 a share for a minimum of 50.4 per cent of the shares in Enstar.

This values Enstar at $511m, although it excludes Enstar's Alaskan pipeline and gas distribution business. The Enstar directors, who are urging acceptance of the deal, propose spinning off the Alaskan business to a subsidiary.

The bid was announced yesterday after a lengthy meeting on Tuesday of the Enstar board at which the deal was opposed by Mr Roy Huffington, a director who is also Enstar's biggest single shareholder with 9.9 per cent.

He is seeking to oust his fellow directors at the company's annual meeting on June 21. Yesterday he publicly condemned the offer as a "bargain basement sale" and "convoluted deal" and complained about the inadequate information made available.

The tender offer is due to expire the day before the annual meeting. But Mr Huffington has appealed to shareholders not to accept it and instead to vote his nominees onto the board on June 21 so that a "full and fair value" can be demanded for control of the company.

Mr Huffington, a geologist, is the operator of an Indonesian oil and gas production venture in which Allied and Ultramar each has a 28.25 per cent interest while Enstar has a 23.125 per cent interest. If Allied and Ultramar win majority control of Enstar, the remaining Enstar shareholders will be offered participating certificates in the Indonesian venture.

With the backing of other institutional shareholders, Mr Huffington has been trying to win control of the company since last summer in a battle which spilled over into the law courts.

As a defence, Enstar issued a dividend of preferred stock, a device known as "swallowing a poison pill," because it is designed to make the company too expensive to buy.

Shell deadline passes, Page 27.
Lex, Page 26

Amrep likely to file for bankruptcy

BY DAVID HOUSEGO IN PARIS

AMREP, one of France's leading oil drilling companies, is likely to file for bankruptcy within the next few days. This follows the announcement yesterday by Bouygues, the large construction group, that it was no longer interested in taking over the company.

Bouygues made known its decision after it became clear that Amrep's major shareholders and its banks, were unable to find the FFr 1.5bn ($177m) needed to write-off the group's losses and meet its immediate financial needs.

It emerged yesterday that the 15 banks involved in Amrep were ready to make a major effort through writing off much of the company's debt. Paribas, one of Amrep's major shareholders, was also prepared to inject new funds, but the other major shareholder, the Total oil group, was reluctant to be drawn into any further commitment.

Officials emphasise that the French Government has not been called on to provide financial assistance and does not intend to do so. This makes the Amrep issue different from that of Creusot-Loire, the large engineering group, in that the Government was immediately asked to step in.

Bouygues has not renounced its interest in Amrep. Should the company file for bankruptcy, as is now expected, Bouygues could well be a purchaser of some of its assets. In the meantime, M Rene Augereau, vice-president of Bouygues, yesterday resigned from the presidency of Amrep.

Amrep's troubles have been due to the decline in oil exploration, and to payments difficulties in connection with contracts in Brazil, Venezuela and Nigeria. Bouygues had been interested in seeking full control to extend its own oil activities, before the full state of Amrep's financial difficulties became known.

CONTENTS

EUROPEAN NEWS

West German President is enlightened conservative

BY RUPERT CORNWELL IN BONN

WEST GERMANY has a new President. Shortly before 1 pm, in the hastily spruced-up auditorium of the Beethovenhalle concert hall in central Bonn, the slender white-haired figure of Herr Richard von Weizsaecker was yesterday elected as the sixth head of state in the 35-year history of the Federal Republic.

In a way, it was a strangely bland occasion: of green baize tables that will be removed as quickly as they were installed, that mixture of the staid and the temporary which typically marks the higher instances of the West German state. It was also, of course, a foregone conclusion.

Herr von Weizsaecker's electors were the 1,040 members of the Federal Assembly or *Bundesversammlung*, half of them the sitting members of the Federal Parliament, the other half nominated by the 10 states or *Laender*, and West Berlin.

The Assembly meets only once every five years, its sole task to elect the Federal President. Herr von Weizaecker faced it with the support not only of his own Christian Democrat/Christian Social Union grouping, which on its own had the majority required, but of the smaller FDP Liberal party and of the opposition Social Democrats as well.

A graceful address by Herr Rainer Barzel, president of the Bundestag, opened proceedings. When they were over, after two hours and an interminable secret roll call vote whose results were counted by hand, the 64-year-old Herr von Weizaecker, 30 years a member of the CDU, and until early this year the Mayor of Berlin, had won by a landslide.

Of the 1,017 valid votes cast, 832 were for him. His only opponent, the authoress Frau Luise Rinser, who lives mostly in Rome and was put up by the Greens, received 68. The rest, probably unconvinced Liberals and Social Democrats, abstained.

But the long wait, filled most visibly by a beaming Chancellor Helmut Kohl, signing autographs and by long queues of the philatelically-minded waiting to buy first day covers, could not destroy a sense of expectancy.

Memories of Weimer have seen to it that, in the new German Republic, the President has scant powers. But the five so far have each caught the spirit of their times, and Richard von Weizsaecker, who takes over from Herr Karl Carstens on July 1, promises to do that and more.

Few seem better fitted than this cultured Swabian—born the son of a diplomat in Stuttgart in 1920, an enlightened conservative whose brother, Carl-Friedrich is a scientist and a Social Democrat—to stand above the daily political fray.

Who better, moreover, than von Weizsaecker, with his background in industry, banking and church affairs, not to mention politics and Berlin, to tackle the doubts and divisions of modern West Germany and the eternal problem of its relations with its separated Eastern half?

It is too early, indeed probably absurd, to speak of a possible West German equivalent of Sig Sandro Pertini in Italy. But he has served notice he will be more than a mere figurehead.

"I'll be making my position quite clear," he said yesterday, "where important issues are concerned, when it concerns the future of our country."

And there may be other, more subtle, signs to be read from the ceremony in the Beethovenhalle. Elections of German Presidents have more than once uncannily foreshadowed momentous political changes.

The choice of Herr Heinrich Luebke in 1964 with the backing of both the CDU/CSU Union and the SPD pointed the way to the "grand coalition" of those parties 18 months later. In 1969, the backing of the FDP for Herr Gustav Heinemann, the Social Democrat candidate, heralded the string of centre-left coalitions which governed West Germany until autumn 1982. Could the election of Richard von Weizsaecker mean that another "grand coalition" is on the way?

UK against EEC price controls on cars

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN GENEVA

THE UK Government will oppose the European Commission's attempts to impose price controls on cars, Mr Norman Lamont, UK Minister for Industry, said yesterday.

The Commission has proposed there be no more than a 12 per cent difference in pre-tax car prices in any EEC country. Its objective is to bring down prices in the UK in particular.

But the motor industry has objected to the proposal and says it is unworkable and would severely damage the profitability of a sector already suffering from severe competition.

Mr Lamont, in a paper delivered at the fifth Financial Times world motor industry conference in Geneva, commented: "There is much to be said on both sides of the argument and this is likely to take some time to resolve. It will be no surprise, however, to those familiar with the British Government's general philosophy to hear that we are looking with considerable sympathy at the possible enhancement of consumer choice proposed by the Commission but very critically at the idea that prices in the market-place might be controlled."

Mr Lamont's paper was delivered in his absence because he had to take part in the emergency motor industry debate in the UK House of Commons.

His remarks made public the increasing concern of the UK Government about the performance of the U.S. companies, Ford and General Motors in Britain.

"Not so long ago one of the multinationals' leading managers described the UK to one of my senior officials as 'a great place to sell but a lousy place to manufacture.' As a result both Ford and GM now import around half the cars they sell in the British market and the level of business generated for the UK materials and components sector has been sharply reduced. In the case of GM this has been aggravated by a movement away from manufacture to just the assembly of cars.

Mr Lamont said that the tide was now turning. "Import penetration fell slightly last year and is marginally down in the first months of this year. I am confident that the multinationals themselves are ready to reflect these changes in their forward manufacturing and purchasing plans. Consistent with the GM philosophy of 'make where you sell' the Government's hope is that over the medium term – in the motor industry this can not happen overnight – the companies will move to a better balance between what they sell in the UK and what they manufacture or purchase there."

Dr Gerhard Liener, a member of the executive board of Daimler-Benz, said specialist car producers such as his company, BMW, Porsche and Volvo would in future have to face Japanese competition.

"The Japanese will be intensifying their efforts to differentiate their products, incorporating high quality medium and large-sized cars into their range. This change – from producing at minimum prices to manufacturing of a differentiated product range – could, given the production advantages the Japanese already possess, face the European specialised automobile producers with a new competitive scenario.

"If they are to hold their own, therefore, vigorous innovative efforts and rapid translation of ideas in ready-to-sell products is of crucial importance. In the automobile industry – which is not alone in this respect – the future will belong to the fast movers."

He maintained the Japanese would have to remain strongly geared towards vehicle exporting in view of the fact they could cut their workforces and had large investments in facilities in Japan.

Far from indicating a willingness to change this attitude, recent co-operative agreements reached between Japanese and Western car makers "in my opinion serve almost solely as a means of circumventing protectionist measures and thus of maintaining the Japanese market share.

In contrast Mr Shigenobu Yamamoto, executive vice-chairman, Toyota Motor, said that his company's joint venture in the U.S. with General Motors was proof that "competition and co-operation must go together. Our philosophy is to maintain the system of free trade while contributing to the industrial development of each host country."

He maintained that in future car manufacturers would survive, not necessarily as individual companies "but rather as groups in which a few makers will be in the centre. And we think that interdependence will develop to such an extent that the groups will co-operate with each other where possible while competing in other areas."

Mr Paolo Cecchini, deputy director general of internal market and industrial affairs at the European Commission, pointed out that there was a disturbing tendency for the EEC car manufacturers to withdraw into Europe and concentrate mainly on their domestic markets.

If manufacturers were to compete effectively with the U.S. and Japanese companies they needed to treat Europe as one market.

He called on the motor industry to set the pace and force national governments to make the changes which would turn Europe into a true economic community.

The motor industry needed to work out a European strategy and move towards the harmonisation of technical requirements

Mr Ian Donald, deputy managing director, Guest Keen and Nettlefolds, said his company's forecasts suggested very low growth in car and truck markets over the next four years, which implied a continuation of the price wars and consequent adverse effects on component suppliers. He called for co-operative ventures

Other speakers at the conference were Mr Edward Irving, senior vice-president, Industrial Systems Group, United Technologies Corporation; Mr John Neill, managing director, Unipart group, Mr Michael Mutchler, general manager, Rochester Products Division, General Motors and Mr Tom Barrett, president of Goodyear Tire and Rubber.

FINANCIAL TIMES
WORLD MOTOR INDUSTRY

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hill Samuel §	9½%
Allied Irish Bank	9½%	C. Hoare & Co. †	9 %
Amro Bank	9 %	Hongkong & Shanghai	9 %
Henry Ansbacher	9½%	Kingsnorth Trust Ltd	10 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	9½%
Associates Cap. Corp.	9 %	Lloyds Bank	9 %
Banco de Bilbao	9½%	Mallinhall Limited	9 %
Bank Hapoalim BM	9 %	Edward Manson & Co.	10½%
BCCI	9½%	Meghraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9 %
Bank of Cyprus	9½%	■ Morgan Grenfell	9 %
Bank of India	9½%	National Bk. of Kuwait	9 %
Bank of Scotland	9½%	National Girobank	9 %
Banque Belge Ltd.	9½%	National Westminster	9 %
Barclays Bank	9½%	Norwich Gen. Tst.	9½%
Beneficial Trust Ltd.	10 %	People's Tst. & Sv. Ltd.	10 %
Bremar Holdings Ltd.	9 %	R. Raphael & Sons	9 %
Brit. Bank of Mid. East	9 %	P. S. Refson & Co.	9½%
■ Brown Shipley	9½%	Roxburghe Guarantee	9½%
CL Bank Nederland	9 %	Royal Trust Co. Canada	9½%
Canada Permn't Trust	9 %	■ J Henry Schroder Wagg	9 %
Castle Court Trust Ltd.	9½%	Standard Chartered ‖	9½%
Cayzer Ltd.	9½%	Trade Dev. Bank	9½%
Cedar Holdings	9 %	TCB	9½%
■ Charterhouse Japhet	9 %	Trustee Savings Bank	9 %
Choulartons	10½%	United Bank of Kuwait	9 %
Citibank NA	9½%	United Mizrahi Bank	9½%
Citibank Savings ¶	9½%	Volkskas Limited	9½%
Clydesdale Bank	9½%	Westpac Banking Corp	9 %
C. E. Coates	10½%	Whiteaway Laidlaw	9½%
Comm. Bk. N. East	9½%	Williams & Glyn's	9 %
Consolidated Credits	9½%	Wintrust Secs. Ltd.	9½%
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk	9½%		
Dunbar & Co. Ltd.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	9½%		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	9½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		
Heritable & Gen Trust	9½%		

■ Member of the Accepting Houses Committee.
* 7-day deposits 5.75%. 1-month 6.50%. Fixed rate 12 months £2,500 8.5% £10,000 12 months 9%.
† 7-day deposits on sums of under £10,000 6%, £10,000 up to £50,000 6¾%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¾%.
§ 21-day deposits over £1,000 7%.
‖ Demand deposits 5¾%.
¶ Mortgage base rate.

East-West freeze predicted after visit

MOSCOW – The Kremlin's tough line towards Herr Hans-Dietrich Genscher, West German foreign minister, who is visiting Moscow this week, has led Western diplomats to predict a deep freeze in East-West relations for the rest of 1984.

But many diplomats believe Moscow's harsh tone is only a tactical ploy to put pressure on the West and they predict Soviet policy may change next year if the present strategy fails.

Herr Genscher came to the Soviet capital to urge a return to East-West nuclear disarmament talks. He admitted failure at a press conference when he said he saw no signs that Moscow would go back to negotiations this year.

West German officials accompanying him said privately they were taken aback by the harsh language used by Mr Andrei Gromyko, the Soviet foreign minister, at bilateral talks and one said the meetings left the visitors "with very grim feelings."

"Gromyko used Genscher's visit to pile on the pressure on the West. His aim was to convince Western Europe that deployment of new U.S. missiles was a major error and bolster those groups pressing for a deployment freeze," one western diplomat said.

Other diplomats said the visit had shown once and for all that Moscow would not soften its hardline stance towards the West before the U.S. presidential elections in November.

"Genscher's talks showed there is little point in appealing to the Russians at the present time as they have no intention of moderating their policies. But things are likely to change after November," another western official said.

Those supporting this view said two specific goals may be behind the Kremlin's tough approach, which has been underlined by its boycott of the summer Olympic Games and a crackdown on the wife of dissident Mr Andrei Sakharov.

First, it could be hoping to unsettle western European governments enough to shake the commitment of those pledged to taking new U.S. cruise and Pershing missiles.

Some diplomats said Moscow would view a decision by the Dutch Government to refuse to take its allotted share of the weapons as a sign that the Kremlin approach was working. Reuter

Commission unveils budget Ecu 1.9bn above legal limit

BY JOHN WYLES IN STRASBOURG

THE EUROPEAN Commission yesterday unveiled a draft budget for next year which would spend 1.913bn European Currency Units ($1.09bn) more than the total income that member government can legally hand over to Brussels.

The Commission is hoping that the difficulty will be overcome at next month's summit at Fontainebleau with an agreement on the UK's budget demands.

This would then allow unanimous approval for raising the so-called 1 per cent VAT limit on contributions to 1.4 per cent so that the extra funds will be available by October 1, 1985.

Introducing the proposals to the European Parliament — which shares some budgetary powers with the Council of Ministers — Mr Christopher Tugendhat said that the Ecu 28.1bn spending proposal was a balanced one.

It aimed at matching "what is desirable in terms of the development of policies at the Community level and what is attainable in terms of the overall constraints of public expenditure in the Community and the requirements of sound budget discipline," said the budget commissioner.

Although the Commission has projected a 12.8 per cent rise in the EEC Social Fund (to Ecu 1.376bn) and a 16.28 per cent increase in the regional fund (to Ecu 1.642bn), the proposal contains one political embarassment which was seized upon by some British Labour MEPs yesterday.

Total farm spending has been set at Ecu 19.315bn—3.7 per cent higher than this year's expected outturn—which slightly increases farming's share of the budget from 68.3 to 68.7 per cent.

"This shows that the farm ministers have not reformed the Common Agricultural Policy and freed more money for other policies," said Mrs Barbara Castle, the leader of the British Labour group.

The minister's departure from the Commission's price and reform proposals at the end of March ensured that farm spending this year will be in the region of Ecu 18.6bn rather than the Ecu 16.5bn that was budgeted. This is largely the reason why the Commission is seeking a Ecu 2.33bn loan from governments to fund this year's budget deficit.

Since there is a risk of a delay in the ratification of the new VAT ceiling by national parliaments, the Commission will ask the Ten to agree before the adoption of the 1985 budget that the necessary Ecu 1.913bn will be made automatically available if needed.

Brussels sets sights on common market for TV

BY IVO DAWNAY IN STRASBOURG

THE FIRST STEP on the long road towards a "common market" for EEC television companies was taken yesterday with the publication of a discussion document by the European Commission.

The aim is to move rapidly to common rules on advertising, copyright and standards to enable free competition between broadcasting companies and free access to all Community states.

Presenting the document, Herr Karl-Heinz Narjes, the West German Commissioner responsible for the internal market, emphasised that quick progress was needed to avoid inhibitin gthe development of European satellite and cable broadcasting capability.

Nevertheless, it is universally acknowledged that the obstacles to creating common rules out of labyrinthine national regulations on broadcasting would be formidable.

Current legislation varies widely. In Belgium, for example, no TV advertising is allowed, while Italy's celebrated amateur striptease shows on cable television would almost certainly be banned in several member states.

The Commission's approach is to propose the negotiation of minimum standards with which all countries must comply. These include agreement of a statutory Community-wide right of reply or correction which promises to provide ample scope for argument when regulations come up for debate among ministers.

French education row deepens

BY DAVID HOUSEGO IN PARIS

THE ROW over private education in France appeared to be coming to a head yesterday as Catholic teachers and parents associations began organising a mamoth demonstration in Paris to challenge the Government's education Bill.

M Jacques Chirac, the Mayor of Paris and opposition leader, also sought to capitalise on the growing anger of private school parents by offering his help in organising the march. The aim, if the go-ahead is given tomorrow, would be to eclipse the march at Versailles earlier this year where almost 800,000 parents gathered.

The sharp increase in tensions came after the Government accepted amendments to the Bill demanded by the Left but which are unacceptable to the Catholic organisations. Debate within the National Assembly was cut short when the Government made the text an issue of confidence. In response, the opposition has put down a motion of censure which is to be discussed today.

The amendments accepted by the Government would enable teachers in Catholic schools to be accredited as public employees. The Church says, this would destroy the specific identity of private schools.

The amendments would also put in doubt, after a period of eight years, the financing by the state or local authorities of private schools in which more than half the teachers had accepted public employee status.

Troop reduction talks resume despite tension

VIENNA – Long-running talks on cutting Nato and Warsaw Pact conventional forces in central Europe resume in Vienna today with little prospect for quick movement in the climate of heightened East-West tension.

Western diplomats were awaiting a formal response from the communist side to a compromise proposal offered at the end of the last round of talks on April 19. The proposal was aimed at breaking the deadlock on the vital issue of present troop strengths.

The Soviet Communist Party newspaper Pravda has already dismissed the suggestion, saying the West was clearly not trying seriously to reach an agreement.

The 19-nation talks, aimed at reducing overall troop and armament levels in Central Europe, have made no substantial progress since they opened more than 10 years ago. But they are seen by the participants as a useful forum for contacts between the two military alliances, particularly in the present climate of mistrust.

Since the latest Western proposals were tabled on April 19, the Soviet Union has taken an increasingly tough stance against the West.

Moscow has rejected U.S. proposals for a chemical weapons ban as "absurd and unacceptable," announced deployment of extra missiles in East Germany to counter U.S. nuclear weapons in western Europe, and disclosed the positioning of more submarines off the U.S. coast.

Pravda also published a fierce criticism of Western demands for more stringent verification procedures for future arms agreements, rejecting calls for ground inspections to augment satellite monitoring.

Warsaw Pact agreement to increased verification measures included in a draft agreement prepared last summer was seen by the West as the Eastern bloc's major concession so far at the Vienna talks.

East bloc ambassadors were also expected to point to a decision by Nato's defence ministers in Brussels on May 17 to boost their conventional forces. Reuter

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Wage decree victory gives boost to Craxi

BY ALAN FRIEDMAN IN MILAN

THE GOVERNMENT of Sig Bettino Craxi won an important victory yesterday as Italy's Chamber of Deputies approved the controversial decree cutting the *scala mobile* wage indexation system.

The vote, by secret ballot, supported the government decree 329-256. It came after several days of the most bitter and obstructive legislative tactics by the opposition Communist party in recent history.

So severe has the Communist opposition been that the Government called two votes of confidence between Friday and Monday to place a guillotine on debate. Although the Government won both, the Communists continued to obstruct the work of the chamber by tabling 73 priority motions which had to be voted down.

Good chance

The decree now moves to the Senate, where it stands a good chance of being approved before June 16, the date on which it expires. This is because Communist opposition is less vitriolic in the Senate, which is presided over by Sig Francesco Cossiga, a Christian Democrat. Yesterday, some legislators said they expected the Senate might vote to approve the decree as early as next week.

Although the vote yesterday suggested that a few members of the ruling five-party coalition might have deserted the Government, Sig Craxi appeared to be very satisfied with the result. The Prime Minister said there were encouraging signs of a continuing economic recovery and a declining inflation rate.

The decree, which was first introduced in February and re-introduced in April, cuts the number of percentage points on the *scala mobile* index which is translated into automatic quarterly wage increases.

The Government has portrayed the decree as a vital element in its battle against inflation, which it hopes to bring below 10 per cent by year-end. The present inflation rate is running at around 12 per cent, against an average of 15 per cent last year.

Potent factor

In political terms, Senate passage of the decree just days before the June 17 European elections in Italy could be a potent factor for Sig Craxi's Socialist Party. The Communists, meanwhile, are pulling out all stops to oppose the Government. They polled just three percentage points less than the Christian Democrats' 32.9 per cent of the vote in last year's general election.

Sig Arnaldo Forlani, the Christian Democratic Deputy Prime Minister, appeared yesterday to be trying to project a conciliatory image, lamenting the "exhausting level" of political tension and calling for talks between the Government majority and the Communist opposition.


Craxi: potent factor

Lebanon willing to safeguard Israel's northern borders

BY NORA BOUSTANY IN BEIRUT

MR RASHID KARAMI, the Lebanese Prime Minister, was quoted yesterday as saying that Lebanon would be willing to guarantee the security of Israel's northern borders.

The Government was prepared to give Israel guarantees on condition that Israeli forces withdrew from the areas in south Lebanon which they currently occupied and handed them over to the Lebanese authorities, Mr Karami said in an interview published by the left-wing newspaper As-Safir.

The Prime Minister added that this would require the setting up of a special Lebanese force to replace the Israelis, who invaded Lebanon in June 1982 to drive out Palestinian guerrillas.

The Lebanese Prime Minister's offer followed a statement by President Hafez Al Assad of Syria over the weekend that Syria accepted the idea that Israel needed security guarantees in return for a withdrawal of its forces from southern Lebanon.

Israel has been equipping, training and partially financing the south Lebanon army, commanded by Christian retired army officer Maj-Gen Antoine Lahd, who replaced the late rebel army Commander Maj Saad Haddad.

Israel is hoping to build the south Lebanon army into an effective local force with strong allegiance to Israeli military authorities to control south Lebanon and safeguard northern Israel against cross-border guerrilla raids.

Mr Karami, said after a Cabinet meeting yesterday he would ask the members of the UN Security Council to investigate Israeli practices in south Lebanon.

The Prime Minister said he would call in ambassadors of the five permanent members of the UN seeking an investigation into arbitrary arrests, attacks and blockades of villages by Israeli soldiers.

Ariane puts Europe in business

By Peter Marsh in Kourou, French Guiana

"IT WAS a beautiful experience,"—that was how M Edith Cresson, France's Minister for External Trade, summed up the first commercial flight yesterday of Ariane, the West European satellite launcher.

She was referring not just to the way in which the rocket took to the night sky like a giant firework at its tropical launch pad in Kourou, French Guiana.

She was also delighted at the prospect that the mission holds out for future West European forays in space technology. Said Mme Cresson: "There are not many technical ventures involving several European countries and these types of collaboration should be supported."

The launch, which took place more than two hours late due to technical hiccoughs in the countdown, was the first for which Arianespace, a mainly private company based near Paris, was responsible.

Arianespace's shareholders include 59 European aerospace and electronics companies and banks, though the most important backer is the French national space agency, CNES, which owns one third of the stake.


Mme Cresson . . . beautiful experience

The company has firm orders for the launching of 28 satellites, plus reservations for 19 others, worth a total of some $1bn. Arianespace aims to launch a rocket every two months by 1987, becoming a competitor to U.S. vehicles, such as the space shuttle in the growing business of taking satellites into space.

The competition with the U.S. was underscored by the second important aspect to the launch—it was the first time that a U.S. satellite had been lifted into orbit by anything other than an American vehicle.

Ariane took into the heavens a $30m communications craft owned by GTE, the U.S. communications company, which will use it as part of a network for channelling voice, data and TV around the U.S.

Although Mme Cresson emphasised the European dimension, France has been the driving force behind Ariane. It has supplied some 70 per cent of the $750m that the 11-nation European Space Agency has paid to develop the vehicle.

France also contributes 65 per cent of the $50m annual running costs of the Kourou space centre which formally is an ESA establishment.

President François Mitterrand's government is putting up about half the $200m that the ESA is paying to build a new heavily computerised second launch pad at the centre at Kourou.

The latter, a town of 7,000 people, has grown up in the past 15 years entirely to service the space centre. About 400 French Guianians work at the centre, together with about 400 Europeans.

It is estimated that one-fifth of the 55,000 population of French Guiana, an overseas department of France depend for their livelihood on space activities.

Arianespace will continue to rely on the ESA to pay for the running costs of the rocket site and for further development in Ariane, for example, to make it lift heavier satellites. In return, the company has agreed to pay the agency a royalty of 1.5 per cent of the cash it earns.

Andriana Ierodiaconou in Athens explains a quiet revolution in monetary policy

Inflation 18%, interest 15%, result robbery

HANDBAG SNATCHING is peculiarly prevalent in Greece. One reason is because the Greeks prefer to keep their cash in notes rather than in the bank. This habit derives in part from a controlled and highly complex interest rate structure which has ensured that bank deposit rates have provided poor compensation for inflation.

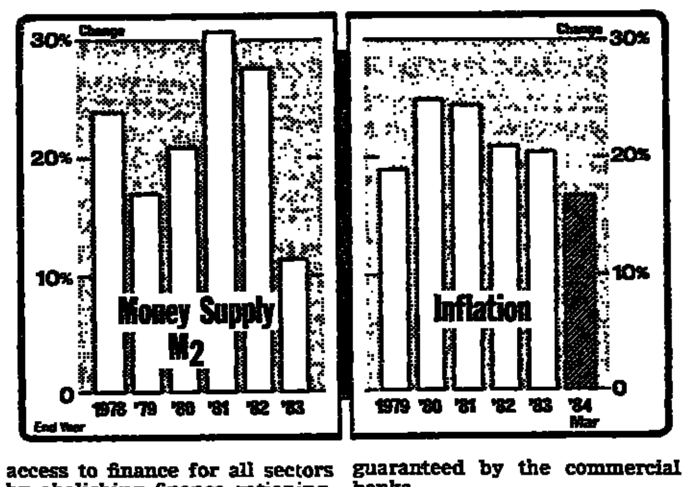
The hey-day of handbag snatching may be drawing to a close, however. Encouraged by the Bank of Greece, the Socialist Government of Dr Andreas Papandreou has begun to simplify the Greek credit system and make it more market orientated. It has raised the interest rate on bank savings accounts to 15 per cent, still some way short of the inflation rate of 18 per cent, but calculated to increase bank savings by the Greek private sector.

This is part of the quiet revolution in Greek monetary, interest rate and credit policy that has taken place since the Socialists came to power in 1981. In an effort to regain control of over-runs in credit expansion and money supply, the Government has begun to dismantle the *dirigiste* credit system built up in the 1950s.

This system directed credit on preferential terms to favoured sectors of the economy and restrained the flow to others through an intricate web of ordained interest rates and quantitative controls.

The system had the perverse effect of making industrial companies—which tended to have access to the cheapest credit—the chief source of consumer and trade loans. It also invited abuses: companies would re-deposit cheap credit at higher rates, instead of investing the funds.

Ms Louka Katseli, director of the state planning and economic research centre (Kepe) said that, along with a tighter monetary policy, the Government had three aims in the finance and credit area: to create incentives for private savings accounts, to increase access to finance for all sectors by abolishing finance rationing, and to establish a more uniform cost of credit. "We prefer to subsidise directly in the framework of current investment laws, than through ultra-low interest rates," she said.



An internal Kepe report putting forward a proposal for financial reform was presented to the national economy ministry in January. It proposed making negative real deposit rates positive relative to Greece's projected inflation rate, similarly adjusting negative real loan rates and issuing a Government bond linked to a well-recognised price index.

So far, the Government has made a number of changes.

● The rate of domestic credit expansion was reduced from 35 per cent in 1981 to 31 per cent in 1982, and an estimated 26 per cent in 1983. A target of 24 per cent has been set for 1984. Growth of M3 declined from 35.7 per cent in 1981 to 29.9 per cent in 1982 and 21.2 per cent in 1983.

● New limits were set on the Government's ability to borrow from the Bank of Greece to finance ordinary and investment budget deficits.

● The Bank of Greece applied a penalty rate on commercial bank overdrafts with the central bank and reduced its readiness to finance preferential credits guaranteed by the commercial banks.

● The interest rate system was simplified from over 100 interest rates ranging from 4 per cent to 20 per cent to three basic rates: 14 per cent for small and medium-sized firms and the agricultural sector, 18.5 per cent for long-term industrial investment and 21.5 per cent for working capital for manufacturing and trade.

● The Government has been obliged to pay a more realistic price for funds it borrows from the central bank. There has recently been a 2.75 per cent increase in treasury bill interest rates to 17.5 per cent for three-month bills and 17.75 per cent for six-month bills. Bank savings deposit rates have increased by 1.5 per cent to 15 per cent.

● Further measures boosting finance to small and medium-size enterprises and to trading companies have been announced.

Government economists admit that the changes are taking time, but say that there are considerable constraints. "The subsidisation of industry through low interest rates has led to over-borrowing. If, for example, you introduce a steep rise in rates, you create serious adjustment costs for such companies," Ms Katseli said. "We need to go through an interim period."

The ratio of borrowed to own resources of Greek companies is high by European standards. Bank of Greece officials also concede that in trying to curb the rate of domestic credit expansion, they are fighting an uphill battle against increasing public sector deficits.

Though the money supply and domestic credit expansion statistics since 1982 show that Government targets have been broadly met, they mask over-runs in the public sector borrowing requirement, which observers estimate stood in 1983 at a stubbornly high 15.4 per cent of gross domestic product. This figure is now down to 12 per cent, the Government aid.

Bank of Greece economists say they pin their hopes of success on such factors as the increase in treasury bill interest rates. "If money costs more for the state, then this must lead to more realistic budgets," one official said. "In future, the opportunity cost of capital must become a factor for any government to bear in mind."

Indian death toll mounts

NEW DELHI—More than 150 people have been killed and about 650 injured in waves of sectarian violence racking north and south west India, officials and police said yesterday.

Officials in the southwestern state of Maharashtra, hit by six days of Hindu-Moslem rioting, said that at least 140 people had died and some 260 had been hurt in bitter street clashes. Eight more bodies were found yesterday in the burnt-out remains of houses and textile mills, they said.

The carrying of lethal weapons was banned yesterday in Bombay, Maharashtra's state capital, and the country's financial centre, as fires raged in the nearby Thane district, they added.

Police in the north Indian state of Punjab said that 18 people had been killed and about 30 injured in another offensive by Sikh extremists.

Two people were gunned down near Firozpur after intelligence reports had warned of extremist attacks which challenged the recent setting up of security task forces.

Sikh political leaders said they would launch a passive resistance campaign next month, intensifying agitation for religious and political concessions. Reuter

Yugoslavia looks to buy more Western weapons

BY DAVID BUCHAN IN BELGRADE

THE VISIT to the U.S. this week by Admiral Branko Mamula, the Yugoslav Defence Minister, is a sign of non-aligned Yugoslavia's desire to increase the share of Western weaponry in its military inventory, still predominantly Soviet-supplied or designed.

Admiral Mamula is not expected to sign any specific arms deals while in Washington. Formally, he is reciprocating the visit which Mr Caspar Weinberger, the U.S. Defence Secretary, paid here 18 months ago. But Yugoslavia is known to be interested in buying new air defence fighters, anti-tank weapons and ship missiles.

As the poorest and most heavily indebted of Europe's neutral countries, Yugoslavia is under considerable strain in trying to keep pace with the Nato-Warsaw Pact arms race taking place on either side of its borders.

Its 1984 defence budget has been cut to 5.2 per cent of national income, from 5.8 per cent two years ago. Savings have come mainly from a tighter system of conscription and from fewer military exercises. But it has redoubled efforts to export more to the Third World from its own arms industry which supplies 80 per cent of Yugoslav armed forces needs, and has not slackened arms purchases abroad.

The approach Yugoslavia has taken to the problem of trying to import foreign weapons technology without neglecting its own arms industry is to ask foreign countries for co-production deals. However, some Western nations have baulked at such arrangements, not only because they would be less profitable but also because, with Yugoslavia eventually manufacturing their weapons systems solely under licence, they would have little control over exports.

So far, the Soviet Union has proved more receptive than the West to Belgrade's co-production requests. Yugoslavia is now building T-72 tanks and Soviet Koni class frigates

It has canvassed a number of countries, including the U.S., the Soviet Union, West Germany, Britain, France and India about co-producing a new air defence fighter to replace the MiG-21 aircraft which it obtained from the Soviet Union in the late 1960s. So far, India looks the most likely to conclude such a deal.

The generally negative Western attitude is frustrating to the Yugoslavs, who would like a more even East-West balance in their arms procurement and have noted the recent better performance of Western, particularly U.S., weaponry over Soviet in the Middle East.

However, they are apparently still interested in outright purchases of Western components, such as air and ground surveillance radar, anti-tank weapons and surface-to-surface ship missiles, to incorporate into mainline Yugoslav or Soviet designed weapons systems.

A recent example was the arming of Soviet helicopters with U.S. anti-submarine torpedoes.

Debt rescheduling agreed

BY ALEKSANDAR LEBL AND DAVID BUCHAN IN BELGRADE

YUGOSLAVIA HAS completed rescheduling its 1984 debt maturities by signing an agreement in Paris this week with its 16 creditor governments.

This will spread the repayment of some $800m over the next several years on terms similar to those agreed with Western commercial banks last week. However, this will not take effect until the International Monetary Fund releases the first tranche of its $370m standby credit for 1984.

The head of the IMF's European Department, Mr Alan Whittome, is now in Belgrade trying to resolve differences with the Yugoslav Government over domestic pricing policy which has so far threatened to delay payment of the IMF credit. Yugoslav officials expressed confidence that a compromise will be found.

OVERSEAS NEWS

Marcos holds on to power, but crisis in the Philippines will not go away

BY CHRIS SHERWELL IN MANILA

PRESIDENT Ferdinand Marcos of the Philippines, who has the reputation of being one of Asia's wiliest politicians, will need to draw on all his reserves of cunning during the next few months.

For at the very moment he has to enforce politically unpalatable austerity measures to combat the country's deepening economic crisis, he has been jolted by an unexpectedly strong performance by a clutch of quarrelsome opposition parties in last week's parliamentary elections.

Final results are still to be declared, but it seems certain that opposition parties secured about one-third of the 183 assembly seats contested. That still leaves the President's Kilusang Bagong Lipunan (KBL) party with a comfortable parliamentary majority but the opposition's achievement gives it a new standing.

Furthermore, this strong showing comes at a time when President Marcos is still battling to restore domestic and international confidence in his regime which was severely shaken nine months ago when Benigno Aquino, the popular opposition leader, was assassinated on his return from exile.

Economically too, President Marcos is walking a tightrope, for the International Monetary Fund is insisting on the Philippines embracing austerity for a standby credit which could lead on to a rescheduling of its $25.6bn of external debt—the second highest level of borrowing in Asia, after South Korea.

All these factors, together with doubts over the health of the 66-year-old President, have inevitably raised questions about the stability of the regime which has ruled the Philippines for the past 18 years.

The challenge from the opposition politicians will probably turn out to be the least of the President's worries. Indeed, in one respect—the Philippines democratic image abroad—their strong showing in the poll should help him. Even in the country's weak parliament, and after a poll which saw major electoral malpractices, several dozen opposition figures look better than a handful elected under martial law.

Additionally, President Marcos is a past master of political manoeuvring and the divisions within the opposition should give him scope to exercise these talents. Nor should it be forgotten that the President — despite a reputation for unfairly favouring his businessmen cronies—has retained a base of support among the poor, the unskilled and peasant farmers. All these factors were reflected in the election result.

The opposition was divided between those favouring a boycott of the election and those wanting to take part. The latter group was split into factions and failed to produce an alternative programme or an effective campaign.

The KBL machine, on the other hand is based on a strong grassroots organisation built up over decades and possessed the resources to swamp its opponents. On election day voters rolls carried false names, indelible ink to prevent double voting did not work, and ballot boxes were stolen. Individual voters were bribed and intimidated, and many people were shot or stabbed. The death toll eventually climbed above 100.

The opposition faces a difficult task. It must try to make something of its minority role in an assembly which President Marcos has often bypassed with his decree-making power. It must also find a unifying leader if it is to challenge the President.

Signs of victory from the President and his wife, but the reality is uncertainty, failing confidence and frustration

President Marcos retains the room for manoeuvre he needs to deal with his own party and government. He has called a party caucus for next week, at which many individuals are likely to receive their marching orders, and he is planning to appoint a new cabinet at the end of June, when the new assembly convenes.

One question is whether his ambitious and influential wife, Mrs Imelda Marcos, who is Governor of Metro-Manila, will be reappointed as Minister of Human Settlements. She has said she would relinquish her offices, but was known to have been keen to stand in the election.

This Mr Marcos resisted, and she has since been as embarrassed as the President by the outcome. Mrs Marcos spearheaded the KBL campaign, and was determined to win a clean sweep in Metro-Manila. The opposition took more than half the seats.

The President must now deal with two urgent matters—the inquiry into the assassination of Mr Aquino and the economy.

This week, the board investigating the killing at Manila airport started cross examining the five guards who escorted Mr Aquino down the emergency stairs from the corridor linking his aircraft to the terminal building.

Evidence previously undermined the Government's version of events—that Mr Aquino was killed after he reached the tarmac by an alleged Communist rebel named Rolando Galman, who was promptly shot by security guards. The suspicion is that one of the escorting guards may have shot Mr Aquino. The board may be emboldened by the election result to press home its inquiry.

The contracting economy is an even bigger time bomb for Mr Marcos. He needs to regain the trust of the International Monetary Fund, the country's 400-odd commercial bank creditors and probably some official donors as well, having refused to act before the campaign.

The central problem concerns the terms of an SDR 615m (£459m) IMF standby credit, the centrepiece of a stabilisation programme which has been under negotiation since a previous IMF programme ran into trouble before the Aquino killing.

Under the programme, the commercial banks will put up $1.65bn in new money, Western Governments and multilateral agencies the same amount and some $9bn of the Philippines debt will be rescheduled.

The conditions include a more flexible exchange rate for the peso, officially at 14 to the dollar, a reduction of the Government's large budget deficit from a projected 14bn pesos in 1984 and trade improvements to narrow the current account deficit from last year's $2.7bn.

In effect, this means a devaluation, cuts in Government spending, higher taxes and controls of credit. Since the election Mr Marcos has begun to move. Having ordered a 10 per cent wage rise for Government employees before the election, he announced spending cuts last week to halve the budget deficit to 7bn pesos, in line with the IMF target of 1.5 per cent of gross national product.

He also imposed higher taxes and import duties on petroleum products, which ought to raise transport and fertiliser prices. He appears to be resisting raising heavily subsidised electricity tariffs, but as most electricity comes from oil-fired power stations, he will have difficulty in continuing to do so.

Mr Marcos has tried to resist the third devaluation in a year, but the IMF is said to be standing firm. The rate of inflation is now pushing 40 per cent, after staying below 10 per cent in 1983.

According to Mr Marcos, agreement on the terms of the IMF credit is likely by early June. Bankers think otherwise; some feel that the terms are too tough. The opposition lost no time attacking last week's fuel price rises, a worrying pointer.

The package is projected to run until the end of 1985, with the IMF money released in three-month tranches provided all targets are met. After that period, further arrangements may be needed.

The Philippines is not likely to be out of crisis before the 1990s. In the meantime there are local elections in 1986 and the next Presidential election in 1987.

Gulf states pledge defence limits

Richard Johns looks at the limited actions taken by Gulf states to protect shipping

ARAB oil-producing states of the Gulf have committed themselves to defending shipping against Iranian attacks only within their territorial water extending 12 miles from the coast.

That was the main military decision reached earlier this week at the meeting of the Gulf Co-operation Council's Defence Council in Riyadh, the Saudi Arabian capital, earlier this week, according to informed diplomats.

At the same time, a GCC technical committee charted a new shipping lane for tankers in the northern Gulf hugging its southern littoral. On the Saudi coast, Hawk missile batteries are said to have been moved forward to give cover to the shipping lane.

Though limited in ambition — especially given the sophisticated weaponry possessed by Saudi Arabia — the agreement reached in Riyadh is reckoned to be not only realistic but also an advance in military co-operation, the sphere where GCC collaboration has been most hesitant and ineffective.

It has not been matched by vigorous diplomatic pressure on Iraq to desist from its Exocet missile attacks on shipping serving Iranian ports which prompted Tehran to retailate against Arab oil traffic last week. Saudi Arabia and its allies have decided to leave it to others to pressurise Baghdad while awaiting the UN Security Council session called for by the GCC which is expected to begin on Friday.

In the meantime, Saudi Arabia is apparently making indirect contact with Iran through Syria. Yesterday, Mr Abdul Halim Khaddam, Syrian Vice-President, and Mr Faruk al Shara, Foreign Minister, flew to Tehran for talks following the visit to Damascus on Tuesday of a senior Saudi envoy.

Syria has said that it is in favour of defusing the crisis. But while it maintains good relations with Iran, from which it receives 180,000 barrels a day of oil on preferential terms, its Baathist regime remains bitterly opposed to the rival one in Tehran.

The crisis may revive efforts by the Islamic Conference Organisation to mediate. Yesterday, Mr Habib Chatti, ICO Secretary-General, called for a meeting of its "goodwill committee" to discuss the conflict.

Apart from Mr Chatti, its members are the heads of state of Pakistan, Turkey, Bangladesh, Guinea, Senegal, Zambia, Malaysia, together with Mr Yassir Arafat.

The ICO has most consistently tried to bring an end to the war but its mediation has lost momentum since the death of the late President Sekou Toure of Senegal.

In Tokyo, Mr Yasuhiro Nakasone, Japan's Premier, told Mr Tariq Aziz, Iraqi Foreign Minister, and Sheikh Sabah al Ahmed al Sabah, his Kuwaiti counterpart, that he would raise the Gulf war at the summit of seven industrialised countries to be held in London next month.

Freight rates for Kharg Island have escalated to the concern of Japanese trading houses which have cut Iranian liftings to half the level of a year ago.

Yesterday, a 140,000 dwt vessel, the Panama-registered Arizona, was loading at Kharg Island. It is understood to have been chartered by Sopanata of Portugal at World Scale 80, over three times the rate prevailing two weeks ago.

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West Bank settlers face 'terrorist action' charges

BY OUR TEL AVIV CORRESPONDENT

TWENTY-FIVE Israelis were formally charged yesterday with forming an anti-Arab terrorist organisation in the occupied West Bank for carrying out violent attacks dating back four years.

After a month's investigation without precedent in Israel's history, the prosecution said members of the group had confessed to almost all major unsolved attacks on Palestinians.

These included the murder of three students in Hebron last July, and the 1980 car bombings that maimed two leading West Bank mayors, setting off weeks of serious unrest throughout the territory.

The Jerusalem District Court ordered the accused not to be identified but judicial officials confirmed most were Jewish settlers in the West Bank. Among them were army majors and a reservist air force officer.

Four more detained settlers, including Rabbi Moshe Levinger, leader of the Ultra-Nationalists Gush Emunim, were not charged.

Among the charges against the 25, who appeared in court wearing religious skullcaps, were the killing of the Hebron students, attempting to blow up a fleet of Arab civilian buses and Jerusalem's Dome On The Rock, one of Islam's holiest shrines. All were remanded in custody and will appear in court again next week.

The charge sheet specifically referred to "terrorist actions," a term previously reserved for Palestinian attacks on Jewish targets. It also disclosed a number of unpublicised attacks including setting off grenades during an Arab school football match.

Israel's right-wing government has denounced the extremists, but made clear it is determined to carry through a massive Jewish settlement programme in the West Bank. The programme has been condemned by the U.S. and most of the western world.

Reuter adds from Jerusalem: In a separate document requesting that the accused be remanded in custody until the end of the trial, the prosecution stated all had confessed to the charges against them.

Tokyo impasse after boycott

THE JAPANESE Government yesterday rammed through the Lower House of the Diet a motion extending the parliamentary session by 77 days, Jurek Martin writes from Tokyo.

However, yesterday's proceedings were boycotted by all but one of the opposition parties, who look set to stay out until after Mr Yasuhiro Nakasone, the Prime Minister, returns from the London summit in the middle of next month.

So it looks likely that many bills, passage of which Mr Nakasone considers important to his re-election chances in November's party leadership contest, will stay pending until the current test of wills is over.

Asians boost migrant intake in Australia

The Asian share of the migrant intake into Australia has risen sharply this financial year, according to figures published by the Australian Government, Colin Chapman writes from Sydney.

In the first five months of the financial year Asian migrants made up 54 per cent of the 26,000 new settlers.

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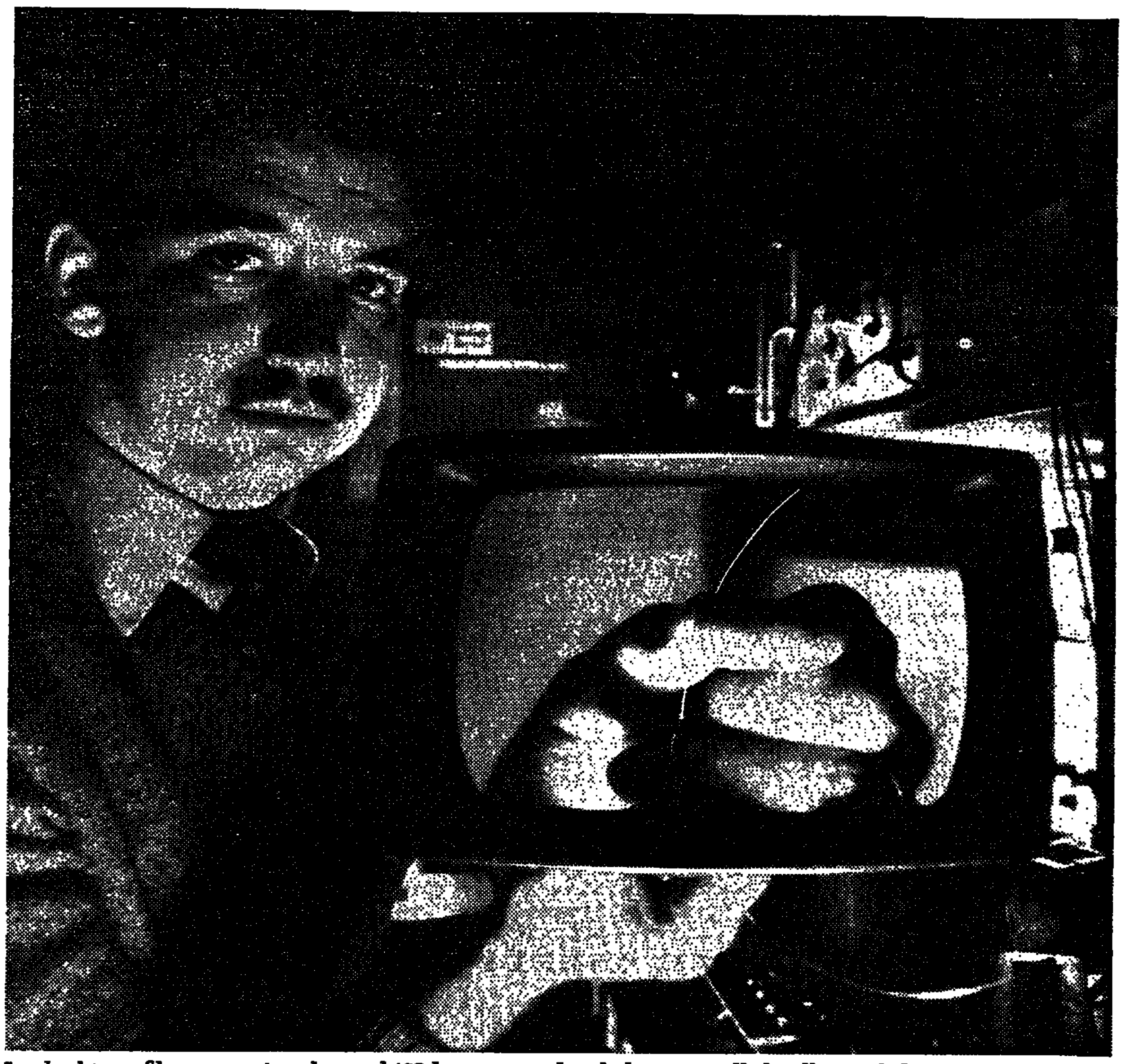
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U.S. spends $20m on military aid to Caribbean islands

BY CANUTE JAMES IN KINGSTON

THE U.S. earlier this month gave three new 32-ton deep water coastguard boats to the Governments of the Eastern Caribbean islands of Antigua, Dominica and St. Lucia. A year ago, such gifts would have passed unnoticed; now they are seen as an integral part of the growing militarisation of the region since the U.S. invasion of Grenada last October.

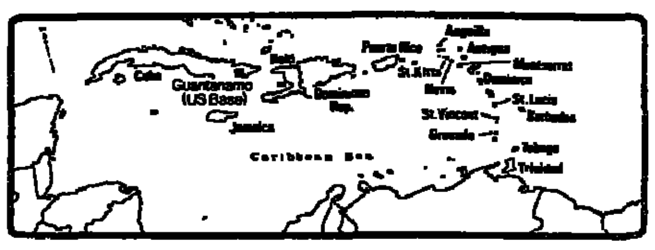
The gift of the boats follows the start of intensive U.S. army and police training sessions for local officers on five islands—Antigua, Dominica, St. Vincent, St. Lucia and Barbados. In the case of islands like Dominica an army is being created from scratch.

A regional army is also being formed, spearheaded by Barbados, to act as a strike force against any threats to the neighbouring islands. Eastern Caribbean Government officials say that the object of efforts to arm the islands and create the multinational army is to prevent "another Grenada."

The presence of the military and police training teams, and the delivery of the coastguard boats, equipped with 50 mm guns, is also reinforcing the political and military presence of the U.S. in an area which Washington has consistently regarded as being of strategic interest.

U.S. influence has grown significantly since the Grenada invasion, but was increasing over the past few years as several of the Caribbean islands obtained political independence from Britain.

Now, with a diplomatic setback to Cuba following the overthrow of the Bishop Government in Grenada, the U.S. is happily making capital of the power vacuum. A strong military presence and influence on the Eastern rim of the Caribbean will reinforce its existing military facilities at



Guantanamo Bay, Cuba (held under lease), and in Puerto Rico to the North.

The U.S. military training teams in the Caribbean islands have concentrated their early efforts on upgrading the skills of the 450-member Caribbean force which has been on duty in Grenada since the invasion.

They have been receiving the same lessons in weapons handling and military procedures as are being taught to recruits who will form the nucleus of the new national armies.

Washington has made available an increase in funds for the military assistance. Two years ago just over $1m was allocated by Washington, but this year, about $20m has been earmarked for military assistance in the Eastern Caribbean.

The governments of some islands are welcoming the help. While there is little to support their concerns about the emergence of "another Grenada," several have been subject to a host of plots and attempted coups.

Three years ago the Dominican Government survived an uprising, and in 1979, Barbados sent troops to put down a rebellion on one of the islets administered by St Vincent. Fears of more events of this kind have given rise to the plans for the creation of a multinational army for the region.

The force will be based on a defence pact agreed in 1982 by Barbados, Dominica, St Lucia, Antigua and St Vincent, which allowed any of these countries to volunteer troops in the case of a military crisis in another.

Under the defence pact, however, there was no standing army. The idea of one has been promoted by Mr Tom Adams, Prime Minister of Barbados. He said it would provide protection against mercenary adventure, other external aggression, domestic revolution and other violence.

"My feeling is that one regional army, rather than a number of national armies, would give us additional safeguards, namely the protection of small governments against their own armed forces," Mr Adams explained.

The regional force will have its headquarters in Barbados, and will have a command structure made up of officers from the different countries, but who are not involved in their national armies. This, it appears, will give the force the flexibility to move against army officers seeking to overthrow any of the Eastern Caribbean Governments.

With a projected complement of 1,000 men, the regional force will be relatively small, but still costly for the weak economies of the contributing countries. Expense, however is unlikely to prove a deterrent. Eastern Caribbean Governments are said to be confident that the U.S. will underwrite the funding of the multinational force.

Caribbean growth prospects remain poor, says bank

BY CANUTE JAMES IN KINGSTON

THE Caribbean Development Bank, in its latest annual report, sees little prospect of meaningful improvement in regional economies in the next 18 months because of the slow growth forecast in western industrialised countries.

The Barbados-based institution has suggested the only way Caribbean countries can deal with their mounting problems is to structurally adjust their economies.

The bank finances development projects in the English-speaking Caribbean, but more than a half of its total resources of $454.4m are subscribed by its non-borrowing members, mainly the U.S., the UK, Canada, Mexico, Venezuela and Colombia.

The report said the poor performance of Caribbean economies last year was because ". . . commodity prices remained depressed and currency market developments and the differential in economic growth rates between the U.S. and Europe had some negative effects on domestic earnings in the region."

Demand for bauxite and petroleum continue to stagnate.

Jamaica and Guyana, the groups bauxite producers, record a cumulative 7.1 per cent fall in output, the report said.

Jamaica's production fell to 7.7m tonnes, while Guyana recorded 1.1m tonnes.

Trinidad and Tobago petroleum output fell by 7.7 per cent.

The bank describes as "serious" the performance of the regions commodity exports. Raw sugar output fell from 805,000 tonnes in 1982 to 764,000 tonnes last year.

The poor performance of the region's economies would have been worse were it not for an increase in the volume of tourists, said the report.

"Generally, the outlook is for slow growth in the Organisation of Economic Co-operation and Development countries during 1984 and into 1985," the bank says.

Mr William Demas, the bank president, said the institution would be considering a proposal from Mr Edward Seagan Jamaica's Prime Minister, that the bank's funds be used to help some members finance repayment of their short-term debt.

CIA director accused over Carter papers

By Reginald Dale, U.S. Editor, in Washington

MR WILLIAM CASEY, President Ronald Reagan's controversial director of the Central Intelligence Agency (CIA), faced fresh political trouble yesterday after a congressional subcommittee questioned his credibility in the "debategate" affair – the acquisition of confidential Carter campaign briefing papers by Mr Reagan's election team in 1980.

After a 10-month investigation, the committee charged Mr Casey and other Reagan campaign officials with having made "organised efforts" to obtain confidential documents from the Carter campaign.

The briefing papers were reportedly used to prepare Mr Reagan for the crucial election-eve debate with Mr Carter, then President. The debate is widely believed to have helped ensure Mr Reagan's victory.

In a 2,400-page report, the committee said that the "better evidence" indicated that Carter debate briefing material entered the Reagan-Bush campaign through Mr Casey, who was Mr Reagan's campaign manager. The report urged that a special prosecutor be appointed to investigate the conflicting testimony and vague memories of those involved.

The report, while not implicating Mr Reagan in the affair, could prove a serious embarrassment to the White House in the current election year.

The committee released a sworn affidavit from Mr Casey in which he said: "To the best of my recollection, I did not receive or pass on the briefing materials, nor did I authorise or direct any person to obtain the briefing materials."

Unitary tax 'will not be ended this year'

By Nancy Dunne in Washington

THE REPORT of the Reagan Administration's working group on unitary taxation recommending an end to the state practice of taxing foreign multinationals on their overseas earnings, will have little impact or any at all this year, says Mr Martin Miller, President of State and Federal Associates, a group which monitors legislative action in all 50 states.

The failure of the working group on May 1 to recommend alternative revenue - raising schemes for the states and to decide the question of taxing foreign dividends, earned by domestic multinationals, *has* seriously weakened the Administration's effort to settle the matter, he says.

Now, when a state searches for money to offset the loss of revenues through abandonment of unitary taxation, U.S. companies will be at odds on what to recommend. Smaller U.S. businessmen are bound to oppose new legislation which allows foreign multinationals from "paying their fair share."

Of the 12 states which globally apply unitary taxation, only three can still act this late in the year to introduce modifying legislation, he says.

● In California, Governor George Deukmejian, formerly a strong supporter of unitary taxation has recommended taxing only U.S. earnings and assets, a so-called retreat to "waters edge." While the Republican legislative leadership is behind the Governor, the Democrats, which control the legislature, have yet to agree on a position.

● In Massachusetts the Governor has also recommended abandoning the tax on a world wide basis. However, he has tied legislative changes to a funding mechanism which would finance infrastructure rehabilitation, and he wants the business community to promise it substantial assistance.

● Governor Bob Graham of Florida has followed the recommendation of a state commission in calling for the repeal of unitary tax. However, State House legislators have said they will not act before alternative source of revenue is found.

Nancy Dunne reports on the work—and rivalry—of the Commerce Department and the Customs Service

How Washington agencies enforce export controls

"It's harvest time," says Mr Ted Wu with no little satisfaction.

The Commerce Department's export control enforcement programme he came to Washington to cultivate two years ago is beginning to bear fruit, he says.

Last month a federal judge fined a Swedish company, Datasaab Contracting AB, a record \$3.12m for providing the Soviet Union with equipment, parts, training and technology used to develop a sophisticated military air traffic control system. Other cases, painstakingly constructed by U.S. Commerce Department investigators, are moving through the pipeline, and Mr Wu is hoping for large fines and prison sentences for the convicted.

It takes many months, sometimes years, says Mr Wu, successfully to prosecute a criminal case against "white-collar" violators of export controls, but it is part of his strategy to deter transgressions by convincing the courts to impose severe penalties.

"Since July, 1982, we have referred three times as many cases to the Justice Department for prosecution as the department referred in the three preceeding years," he says.

The department also is pursuing a preventative public awareness programme to get private sector support for export controls, and to enlist the co-operation of the CoCom countries. Believing that the multinational approach to enforcement is the most effective, the department has sponsored exchange visits with export control teams from the UK and Japan and is planning a session with the Dutch this summer.

Although the Administration's export control policies have created friction with its trading partners, particularly over issues of extraterritoriality, control awareness has been raised considerably in the CoCom group, Mr Wu says. In fact, in the Datasaab case, the department was ignorant of the violations until the firm's parent company, Telefonakfiebolaget L. M. Ericsson, brought the information to its notice.

In the 1970s enforcement of the Export Administration Act, which gives the President authority to impose export controls, was virtually non-existent. But the Administration's concern over high technology transfers brought the Department's export control and enforcement programme substantial budget increases and expanded manpower. The old compliance division in the Office of Export Administration (OEA) was abolished and a separate Office of Export Enforcement, which Mr Wu heads, was established with 90 highly trained investigators, intelligence experts and analysts.

The priority given export controls also prompted a divisive rivalry between the Commerce Department and the Customs Service, which in 1981 launched an enforcement programme called Operation Exodus.

The Customs Service has vied for leadership in control enforcement, claiming that with some 4,500 inspectors *it is* "uniquely" equipped to stop illegal exports at the borders. From its inception until last December, Customs seized 2,700 shipments of critical technology and munitions items valued at more than \$170m.

While customs officials say that only one-tenth of 1 per cent of U.S. exports are stopped, shippers complain that inspectors are overzealous to the extreme and tie up legitimate exports for weeks. Commerce officials say at least 98 per cent of the shipments stopped are inadvertent violations, which are ultimately sent abroad.

The Customs Department's wide net, however, *has taken* some big catches, including an advanced "VAX" computer en route to the Soviet Union, a diesel block assembly line intended for the Soviets' Kama River truck plant, a computerised airborne spectral scanner with military potential, also destined for the USSR, military aircraft parts for Libya and stolen firearms headed for the Irish Republican Army.

"The Customs Service is involved in a number of lengthy and complicated investigations into conspiracies which, when they become public knowledge, will shake the high technology industry to its roots," says Mr William von Raab, head of the Customs Service. "Our investigators have uncovered wide gaps in America's ability to keep our technology safe from our adversaries."

However, the Commerce Department says the major cases have not been the result of cargo inspection, but of "well-planned and methodically executed investigatory activities, which we can do best."

Mr Wu says his division's access to information from the Office of Export Administration brings "significant benefits" to enforcement, "as does the department's close relationship *with the business community.*" The department also has the power to impose administrative sanctions, such as the temporary denial of export privileges to individuals or companies under investigation.

The White House has *attempted to impose* a truce on the competing agencies. In January they signed an agreement, designating the Commerce Department as the principal enforcement agency, but Customs was made responsible for most of the liaison with foreign enforcement forces.

In March, the President signed an order directing "vigorous implementation" of the January truce and further ordered Customs to hand over information to Commerce about current investigations.

The dispute has spilled over into Congressional negotiations over a new Export Administration Act. In the House of Representatives, where Operation Exodus is looked on as an expensive enforcement tool, lead has been granted to Commerce. The Senate however, prefers to give more authority to customs.

Unless the Senate version is accepted in the final Bill, said an aide to one powerful Senator, "there will be no new EEA." With no new legislation, the *Administration will have failed* to show a united front at home on export controls and can expect additional difficulty selling its concerns to its already-sceptical trading partners.

WASHINGTON — The Reagan Administration is increasingly concerned about the growing practice of some countries to require counter-purchases in return for large military or commercial contracts, officials said today.

They said demands from a foreign government, for instance, that U.S. contractors buy now-related products for American sale in return for a *major weapons purchase* led to higher U.S. unemployment.

Mr Robert Cornell, deputy assistant treasury secretary, Mr James Moore deputy assistant commerce secretary, and Mr Charles Blum, acting assistant U.S. trade representative, made the comments while testifying to a congressional subcommittee.

There was wide disagreement on the dimensions of the problem, they said, but it could amount to many *billions of dollars a year in* the U.S. alone.

Reuter

EEC row traps U.S. ski maker

BY PAUL CHEESERIGHT IN BRUSSELS

OLIN SKIS of Connecticut is caught in the middle of a trade dispute it had no part in starting. It is a victim of the running steel dispute between the U.S. and the EEC.

A subsidiary of Olin Corporation, the U.S. conglomerate, it is a small company whose international trade scarcely causes a ripple on the stream of commerce. But it is trying to create a market in the EEC for skis.

The problem came when the EEC was searching around for products whose imports it could restrict as retaliation under the rules of the General Agreement on Tariffs and Trade, for the decision of the Reagan Administration to put quotas and higher tariffs on speciality steel imports.

Ski equipment was included in the list, so that from March 1 imports are restricted over 12 months to Ecus 7.5m (\$6.1m).

Its inclusion was rumoured long before. Olin wrote to the European Commission in January, pointing out that the EEC tariff on skis is in any case higher than that of the U.S. tariff. But it received no reply.

There was time to take preventive action. Mr Richard Dent, the managing director of European operations, explained that 2,500 pairs of skis in stock in Switzerland were moved into France and Germany before the quota came into effect. Shipments came in from the U.S.

"We've postponed the problem, so that our sales won't be immediately reduced. But the quota is there for four years. The problem comes next year," said Mr Dent.

Then Olin's rapid growth in the market will slow down. Sales have doubled over the last four years. Last year, at the top end of the market when it has a 5 per cent share, about 10,000 pairs worth a \$1m at manufacturers' prices were sold in the EEC, where France and Germany are the target markets.

Total Olin Skis production is running at 130,000 pairs a year and it is one of the two major U.S. exporters of skis, the other being K2 Ski of Washington state.

If production slows, so will its purchases of speciality steel, a thin profile of which goes round the edge of the ski. The steel—\$150,000 worth of it a year—comes, paradoxically, from the EEC.

But the steel in question has a tariff classification which is not included in the list of products on which the U.S. has imposed restrictive measures. So Olin is not a player in the basic steel dispute.

Japanese group to launch car hydrogen engine

TOKYO — The world's first hydrogen engines for cars will be marketed by a Japanese company in the U.S. later this year, the president of the manufacturing company said yesterday.

Special attachments developed by Hydro Energy Laboratory Project Incorporated (Help) will enable conventional engines to use metal hydride, an alloy which stores hydrogen, as fuel, Mr Kenji Watanabe, the company president, said.

Modification of a conventional engine to use the attachments —a tank filled with metal hydrides and a water tank—would cost \$1,000.

The modified engine runs on steam pressure created by the combustion of hydrogen gas released from the metal hydride and water sprayed in the cylinders he said. Reuter

Strauss offers Turkey an attractive Airbus deal

BY DAVID BARCHARD IN ANKARA

EUROPEAN HOPES of winning a tender from Turkish Airlines for three medium haul A-310 Airbus airliners are rising after a visit to Ankara this week by Herr Frank Josef Strauss, the Bavarian Prime Minister.

Herr Strauss is understood to have offered the Turkish Government 100 per cent credit for the total purchase of approximately \$150m. Some 85 per cent of the credits would be supplied by Hermes, the West German export credit agency, and the remainder would be in the form of suppliers' credits.

Herr Strauss flew out of Istanbul yesterday after seeing President Kenan Evren, Prime Minister Turgut Ozal and the Deputy Prime Minister, Mr Kaya Erdem.

European diplomats in Ankara say the A-310 Airbus now has a "50-50" chance of winning the tender, compared to virtually no change a few months ago.

However, Turkey has traditionally bought planes from North American manufacturers and Boeing's 757 remains the favourite to win the tender.

The initial purchase of three planes is likely to be followed by another 12 under a programme to modernise the Turkish airline's fleet.

Meanwhile the industrial group, Sonmez Holding, based in Bursa, just south of Istanbul, has sought permission to start a private airline. Sonmez operated Turkey's main private airline, Bursa Airways, until all private operators were shut down by the Government in 1979.

UK, Lagos resume talks on trade debts

By Quentin Peel, Africa Editor

NIGERIAN AND British officials are to hold a new round of talks today to discuss arrangements for refinancing some £600m in arrears of trade payments insured by Britain's Export Credits Guarantee Department (ECGD).

A senior official from the French Treasury is also expected to attend the talks, to underline the intention to reach a multilateral deal covering more than £2bn in estimated trade arrears affecting all Nigeria's major trading partners.

Officials in Whitehall insist *that the talks—to be held* at both the ECGD's offices and at the Treasury—will be "preparatory and exploratory," rather than substantive negotiations, which cannot take place until Nigeria has reached an agreement with the International Monetary Fund on a balance of payments loan and economic stabilisation programme.

Progress in the IMF negotiations, the latest round of which ended in Lagos last week, is likely to be a key focus of attention at today's meetings. The other major area of concern to the ECGD is the interest rate and other charges payable on any refinancing of *the backlog.*

The Nigerian proposal is to refinance the backlog on broadly the same terms as already proposed to uninsured creditors: over a six-year period, with 2½ years grace, and carrying an interest rate of one per cent over the London Interbank Offer Rate (Libor).

The ECGD has suggested that the £600m British exports be refinanced with a commercial bank loan to Nigeria, but in turn insured by the Department, and Barclays has already been chosen to syndicate the loan. Other export credit agencies like France's Coface and Hermes of West Germany are expected to refinance payments from their own resources.

However, finalisation of any deal has been held up by lack of any agreement between Nigeria and the IMF on a proposed three-year credit of up to \$3.2bn, and by the insistence on a multilateral arrangement.

UK NEWS

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DKB ECONOMIC REPORT

May 1984: Vol. 13, No. 5

Japan's recovery trend receives added strength from firmer corporate demand

When the Japanese economy began to recover a year ago, the cause was a surge in exports to the U.S. The strong expansion of the American economy has since been a major element sustaining the business recovery in Japan; added to this in recent months is a gradual strengthening of domestic demand in private sectors.

According to the national income statistics released in mid-March, the inflation-adjusted gross national product grew 0.8 per cent after seasonal adjustment in the last three months of 1983 over the preceding period. The gain was smaller than the preceding quarter's 1.5 per cent, but it was characterized by a notably strong expansion of private domestic demand, which contributed 1.1 percentage points to the overall growth. Despite the slowdown of the overall growth rate, therefore, the recovery trend may safely be considered to have become more solid.

As for the ingredients of domestic demand, housing and business capital expenditures showed higher growth rates, while inventory accumulation also turned positive. Consumption expenditures grew at a slower pace, however.

By contrast, the contribution by the current overseas surplus, a main factor for economic growth in the July-September period, shrank to 0.1 percentage point because a sharp increase in imports cancelled out a continuously strong growth of exports. Public demand, on the other hand, accounted for minus 0.5 per cent of the last quarter's economic growth. The weakness in this sector of the economy was a result of the front-loading of public works investment in the early months of fiscal 1983.

Continuous rise in exports and imports

How has each demand factor been faring after the last quarter of 1983? Exports increased 3.9 per cent in volume on a customs clearance basis in January over the preceding month after seasonal adjustment, followed by another strong gain of 3.3 per cent in February.

In dollar value, exports in February were up 20 per cent over a year earlier. By market, the gain was remarkable at 55.9 per cent in shipments to the U.S. By commodity, office machinery (up 72.5 per cent), electronics products, including semiconductors, (up 63.3 per cent), and tape recorders, including video taperecorders, (up 42.4 per cent) continued to mark exceptionally strong gains.

However, growth in exports is considered likely to become more moderate in a couple of months because the value of export letters of credit received during January through March showed a only marginal gain of 0.1 per cent over the preceding three months (after seasonal adjustment).

Seasonally adjusted imports declined 3 per cent in volume from the preceding month in January, but surged 5.1 per cent in February. Compared with the level of a year earlier, the dollar value of February imports were up 14.8 per cent, with those from the U.S. and EC countries scoring particularly sharp gains (31 per cent and 33.6 per cent, respectively). All commodity groups recorded increases, with the exception of lumber (down 14 per cent), crude and raw oil (down 0.5 per cent, but up 14.4 per cent in volume), and liquefied petroleum gas (down 34.8 per cent). The surge of imports reflected expansion of aggregate domestic demand and is expected to continue to do so in the months ahead.

Recovery of personal demand lagging

What about demand from domestic personal sectors? Personal consumption is at a continuous standstill. Consumption expenditures by households of all categories decreased 1.3 per cent from a year earlier in January; moreover, when adjusted to inflation, they dropped 3 per cent.

The drop was partly attributable to the influences of the colder-than-normal weather and heavy snowfalls, but by far the largest factor was the slow growth of income.

Wage earners' inflation-adjusted income (exclusive of dissavings) grew by a mere 1.4 per cent over a year earlier in January. Their real disposable income (after setting aside taxes, social security contributions and other nonconsumption expenditures) also showed a small rise of 1.1 per cent.

Sluggishness in personal consumption in February was also evident from sales at supermarkets and department stores. Sales at these large-scale retail outlets rose 4.7 per cent over a year earlier in January, and a strong 7.4 per cent in February. But the February figure was deceptive as it reflected the fact that the month had one extra day due to the leap year, and, when adjustment was made for this, the growth rate diminished to 3.7 per cent.

Another indicator of weakness of consumption is the level of the outstanding balance of Bank of Japan notes issued (the monthly average), which, compared with the year-earlier-level, was up 3.9 per cent in January, 3.4 per cent in February and 3.1 per cent in March.

All told, the future trend of consumption appears to depend critically on an increase in income. Improvement is anticipated in this respect on the strength of increasing corporate earnings and better employment situations.

As for housing investment, housing starts dropped 11.7 per cent from a year earlier in January and rebounded in February but only by 2.8 per cent. A trend of major concern is that housing starts in the Tokyo and Osaka metropolitan areas trailed the year-earlier level. Construction of housing units for rental purposes, however, continued strong, up 25.1 per cent over a year earlier in February.

Moderate rise starts in inventory investment

As for the trend of corporate investment, expenditures for plants and equipment appear to be continuing firm. Orders for machinery (exclusive of those of ships and those placed by the electric power industry) rose 6.7 per cent after seasonal adjustment in the October-December period of last year over the preceding period. They scored an 18.5 per cent rise in January.

According to the Bank of Japan's short-term business outlook survey (taken in February 1984), many medium-sized and smaller enterprises are revising their estimated capital investment for the six months that ended this March. In addition, investment for expansion planned by leading corporations in the manufacturing industry for fiscal 1984 represents an increase over the preceding year, swinging from a decrease. The trend presumably reflects attenuation of a feeling of excessive capacity along with a rising operating rate to keep up with an increase in production.

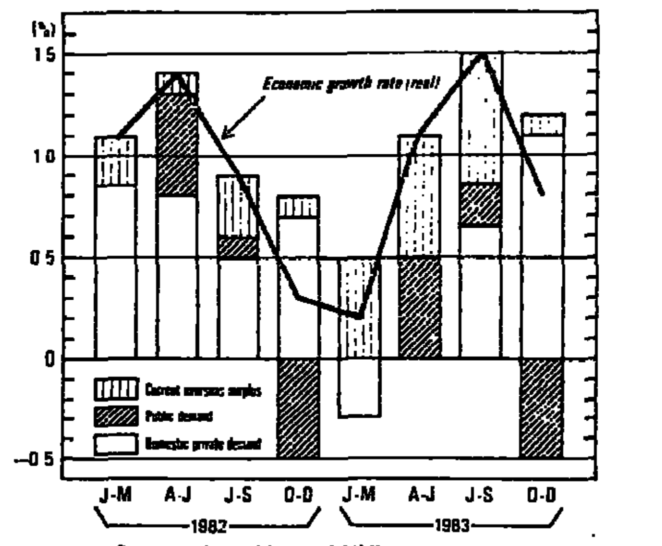
The national income statistics for the last three months of 1983 showed a considerable rise in inventory investment. Manufacturers' finished products inventories (seasonally adjusted) rose 0.3 per cent and 1.2 per cent over a year earlier in January and February, respectively, while raw materials inventories dropped 1.3 per cent in January. Given a firm trend of final demand, centering on exports and capital investment, inventory investment will likely maintain a moderate uptrend for the time being.

Corporate finance increasingly relaxed

Compared with the year-earlier level, city banks' outstanding lending was 10.7 per cent higher at the end of December 1983, and 11.1 per cent up at the end of March 1984. The year-to-year increase (as of the end of December) was particularly sharp in lending to the financial and insurance industries (up 33.9 per cent) and leasing (32.7 per cent), but was small in lending to the manufacturing industry (4.6 per cent) and the wholesale and retail sectors (7.5 per cent). These trends indicate that fund demand to be generated by business recovery is not yet full-fledged. But lending to smaller enterprises in both manufacturing and the wholesale and retail sectors is stronger than average.

Under the circumstances, the net lending increase allowed under the Bank of Japan's "window guidance" is set at 51.6 per cent over a year earlier for the April-June period, compared with 21.6 per cent for the preceding three months. The generous increase means banks should be well prepared to meet an upsurge in fund demand that is expected to come along with full-blown business recovery. In addition to the quantitative relaxation of credit, the long-term prime rate was lowered to 7.9 per cent, effective March 28.

Recent Trends in Real Economic Growth Rate and Major Demand Items' Rates of Contribution
(Seasonally adjusted quarter to quarter changes)



Source: Preliminary National Income Statistics

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Bank governor forms group to advise on City

BY DAVID LASCELLES AND JOHN MOORE

MR Robin Leigh-Pemberton, Governor of the Bank of England, has appointed a group of leading City of London figures to advise him on how the fast-changing securities industry can regulate itself.

The group has been asked to advise Mr Leigh-Pemberton within three months on the changes which will be needed.

The formation of the group was welcomed by Mr Norman Tebbit, the Trade and Industry Secretary, whose department is working on a report on investor protection prepared by Professor Jim Gow . In a move which caught the City by surprise, Mr Tebbit revealed that he is considering forming a similar group for the insurance industry, for which his department is responsible.

Mr Leigh-Pemberton's initiative is an attempt to advance the debate over City reform to the point where workable proposals can be shaped.

The 10-man group, to be headed by Mr Martin Jacomb, vice-chairman of Kleinwort Benson, the merchant bank, consists of leading personalities from the London Stock Exchange, banking, insurance and investment management. They include Sir Nicholas Goodison, the stock exchange chairman, Sir Jeremy Morse, tha chairman of Lloyds Bank, and Mr John Barkshire, the chairman of Mercantile House, the fast-growing financial services company.

Its brief is "to advise on the structure and operation of self-regulatory groupings that would most appropriately cover all types of securities activity including investment management together with commodity and financial futures, and which would, in the view of the group, attract sufficient support from potential participants to be capable of early implementation."

It is to consider "on how and over what time period the formation of such new groupings as are needed might be brought about and to tender advice to the Governor within three months."

Editorial comment, Page 24

Commons sitting kills off Wednesday

By Peter Riddell, Political Editor

WEDNESDAY disappeared and Thursday became Tuesday as the House of Commons held one of its longest sittings in the past century.

The cause was the Local Government (Interim provisions) Bill which suspends next year's Greater London Council and Metropolitan County elections pending the abolition of these authorities.

Debate started at tea time on Tuesday and continued until well into last night, a total sitting rivalling the 31 hours spent discussing the Price Commission seven years ago, though still short of such beloved epics as the 34¾ hours on the Unemployment Assistant Regulations of July 1936 and the 41½ hours on the Coercion Bill (Ireland) of January 1881 when the Speaker personally intervened to close discussion.

In yesterday's marathon (that is, Tuesday's, according to House of Commons time) there were 46 points of order and well over 100 speeches as Liberal and Alliance MPs sought to embarrass the Labour leadership by speaking through the night and claiming to take the lead in opposing the Bill. In the process a public clash was provoked between some Labour MPs and one of them had to be physically restrained.

The Alliance tactic partly backfired, however, since when the committee stage on the Bill eventually ended, the Tories moved that the Third Reading debate scheduled for today should be brought forward and held immediately. Hence, the Government had the last laugh by getting its Bill through the Commons a day early.

Much of Wednesday's business – chiefly the emergency debate on the closure of BL's Bathgate plant – has been rearranged for today, much to the anger of the many trade unions who had travelled from Scotland yesterday to hear MPs debate the shutdown.

Lawson seeks to calm fears over borrowing

BY PHILIP STEPHENS

MR NIGEL LAWSON, the Chancellor of the Exchequer, last night sought to calm fears that the present pace of public borrowing and money supply growth may signal renewed inflationary pressures and higher interest rates.

Addressing the Confederation of British Industry's annual dinner, he hinted that both the public sector borrowing requirement (PSBR) and the broad measure of the money supply, sterling M3, would grow strongly in coming months.

A £2.4bn PSBR in April, the first month of the 1984-85 financial year, provoked concern in the City of London that the Government would not be able to keep to its spending limits this year, and that the £7.25bn borrowing target for the whole year would be exceeded.

Mr Lawson said that borrowing would be more concentrated than usual in the first half of the year with almost all of the PSBR occurring in the first six months.

He also sought to ease concern that the present high level of private credit expansion could endanger his monetary targets. Britain's low level of public sector borrowing left ample room for higher private sector borrowing, he said.

Bathgate workers extend sit-in

BY BRIAN GROOM AND MARK MEREDITH

WORKERS ARE fighting closure of Leyland Truck's Bathgate plant, West of Edinburgh, by continuing a sit-in in the hope of disrupting production in other parts of the company's truck operation.

The Government and BL announced on Tuesday that the factory would close over the next two years with the loss of all 1,770 jobs.

"We will try to close down Leyland Vehicles to force them and the Government back to the negotiating table to try to get the funds needed for the whole of the company and for Bathgate in particular," Mr Jim Swan, the Bathgate union convenor, said yesterday.

Bathgate workers want investment to develop a medium-size range of trucks for which they believe there would be international demand.

Unlike the precipitous nature of other big industrial closures in Scotland, Scottish Office officials feel they have a breathing space of about 18 months to try to salvage some of the jobs, skills and the plant at Bathgate.

More UK news on Page 10

One thin line of inquiry will be the U.S. Cummins engine company which had an agreement with Leyland to build its new series of Family One engines at Bathgate. Leyland planned to invest £30m tooling up for the new engine.

Cummins said after the closure announcement that it would want to go ahead and make the new engine in Britain on its own and probably link the work to one of its plants at Shotts, Lanarkshire, Daventry or Darlington.

Cummins has excess capacity in engine production at its three UK factories and has just spent £30m improving its works at Shotts. The Bathgate engine assembly plant is in the middle of the huge 1.1m sq ft complex which might make it difficult to isolate or sell-off separately.

UK NEWS

First coal strike talks end in rapid breakdown

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE FIRST TALKS between the National Coal Board (NCB) and the National Union of Mineworkers (NUM) since the start of the coal dispute over 10 weeks ago collapsed yesterday after less than an hour amid heated recriminations.

The immediate impression given by both sides afterwards was that the talks had exacerbated, rather than cooled, the already bitter dispute.

Mr Arthur Scargill, the NUM president, said: "We shall do everything in our power to step up the present action." He appealed to miners still working to join the strike and to other unions to give "physical support" to the NUM.

Mr Ian MacGregor, coal board chairman, clearly angry after the meeting, said: "Mr Scargill has a total disregard not only for this industry and the people who work in it, but also for the people of this country." He said the miners' president was sacrificing his members on the altar of his political goals.

The two sides gave widely different accounts of the ending of the meeting. Mr Scargill said he asked for the NCB's plans to reduce capacity by 4m tonnes – with the loss of roughly 20,000 jobs – to be withdrawn to allow negotiations to start without preconditions. Mr MacGregor then said – in Mr Scargill's version – "So, I have no comment," and led a walkout of the board.

The NCB agreed that Mr Scargill had asked for the plans to be withdrawn to allow discussions. The union had declined an invitation to further discussions without preconditions.

The general council of the Trades Union Congress (TUC) yesterday gave "full support" to the NUM, but its declaration was tinged with caution and amounted to moral backing rather than practical assistance.

The council made no attempt to become directly involved in seeking a settlement but agreed that Mr Len Murray, general secretary of the TUC, should keep in touch with the NUM.

'I want to work – I'm going to'

Most of Britain's 180,000 miners have been on strike since the start of the dispute in the state coal industry. About 20,000 have continued to work. PHILIP BASSETT, Labour Correspondent, talked to one of these men about his reasons for defying his union.

MR PETER BARTON will this morning cross his striking workmates' picket line at Shirebrook colliery in North Derbyshire, as he has done every working day for the past 11 weeks.

He will do so in spite of a decision by the area executive of the National Union of Mineworkers (NUM) to suspend from union membership himself and others who have continued to work in defiance of the executive's instructions.

With 15 years of NUM membership behind him since he left school to go down the pit, Mr Barton is comforted by a High Court injunction granted yesterday to miners working in Lancashire. The injunction stays a similar decision by the Lancashire union executive.

"I have been working since the beginning," Mr Barton aged 31, said. "I want to work – and that's what I'm going to do."

In neighbouring Nottinghamshire, tensions between strikers and those working have been high enough for Mr Leon Brittan, the Home Secretary, to form anti-intimidation police squads to patrol the pit villages.

There, at least, those working have been in a majority and have been able to give support to each other. Most pits in North Derbyshire have been shut since the start of the dispute with most miners on strike – leaving the few working like Mr Barton isolated and open to some rough persuasion.

A big tough-looking man – he does one of the hardest jobs in the pit, driving new roadways into freshly opened coal séams – Mr Barton is no-one's idea of an easy target for intimidation.

That hasn't stopped it. Mr Barton claims that gangs of miners have stood at the end of his road, shouting threats to beat him up. His car tyres have been slashed and menacing telephone calls made to his wife. He says that there have been threats to turn over the caravan in which he is living while he is building his own house and half-bricks thrown through the windows.

Mr Barton, who is married with four children, the youngest 18 months, is determined to protect his family. He says, "My hands are tied. I will be classed the same as them if I start on them." Then he adds, "I have told them I will take anyone of them on, man to man, until the end of the strike." None of the pickets has so far taken up the offer.

He has clearly been out of sympathy with many of his pit workmates since even before the strike. He is scathing about local union officials and argues that they are unpopular and out of touch with their members.

Politically, Mr Barton is in minority, living in a parliamentary constituency with a 14,000 majority for Labour. "I voted Conservative in the last election and I think there's been an improvement since then. I shall vote Conservative again." Referring to the effect of the miners' strike, he says, "Labour can't expect to win anything with this fiasco."

His deep disagreement with the strike, demonstrated every day as he crosses the picket line, is clear. "Pits have got to close when they can't pay their way, it's just commonsense. You can only give them so many years to pay for themselves. When a pit is uneconomic, it's got to shut."

Mr Barton is vehemently opposed to Mr Arthur Scargill, president of the NUM. "Just a dictator ... just trying to bring down the Tory Government ... he knows at the end of the day he can't win." Mr Barton thinks that the National Coal Board's overall aim of a future expansion of a healthier industry is reasonable.

He seems to take little account of the real hardship being suffered by his striking workmates and does not fully envisage the likely difficulties which will follow when the strike is over. "When it's finished, the moderates will rule here. They have got to."

Praising the work of the police, he is confident that the tiny number of miners who have been going into work in North Derbyshire will grow. "This is a moderate pit," Mr Barton says. "It would be turning coal tomorrow if it wasn't for the 100 or so idiots at the gate – you can't call them miners because it degrades miners."

"What is going to happen," he predicts, "is that the men with any sense will turn up for work because they have had enough. They can't see any end to this."

National Institute of Economic and Social Research – quarterly assessment of the world economies

Growth in UK economy to broaden into exports

BY PHILIP STEPHENS

GROWTH in Britain's economy will slow somewhat this year but will broaden into investment and exports, the National Institute of Economic and Social Research says in its latest review.

The switch from consumer-led growth is likely to ensure that the recovery will continue into 1985, it says in a more optimistic appraisal of the economic outlook than its last review in February.

Inflation, though unlikely to fall in line with the Government's target of 4 per cent in the second half of 1985, will pick up only slightly from present levels.

The institute forecasts an annual inflation rate of 6 per cent for the last quarter of both this year and next, down from the 6.8 and 7.8 per cent respectively foreseen in February.

It remains pessimistic, however, on the prospects for unemployment, seeing slight increases in 1984 and 1985 despite rising output.

A strong expansion in exports is likely to be offset by similar growth in imports, wiping out the present current account surplus next year.

The institute predicts that gross domestic product (GDP) will grow by 1.9 per cent this year, down from 2.2 per cent in 1983, before picking up again to 2.3 per cent in 1985. In February it was expecting growth of only 1.4 per cent next year.

Comparison with the Treasury's forecast of 3 per cent growth this year is complicated by the fact that the institute uses the output measure of GDP. The Government bases its estimate on an average of output, incomes and expenditure growth.

Historical data suggests that this average measure frequently rises by about ½ a percentage point faster than output over a year, so the difference between the two forecasts may be smaller than it appears.

The change in the composition of the economic upturn will reflect a slowing of the consumer boom which has so far provided the main engine for growth, coupled with a sharp increase in industrial investment and a significant revival of exports.

The institute says that consumer spending is likely to rise by only 1.5 per cent in 1984 following its nearly 4 per cent increase in 1983.

In contrast, investment in manufacturing, accelerated by tax changes in the March budget, is projected to increase by about 12 per cent both this year and next.

That compares with a fall of over 6 per cent in 1983.

The institute's forecasters believe that, after a sluggish performance last year, British exporters should be able to take advantage of a revival in world trade to increase sales of goods and services abroad by nearly 7 per cent in 1984.

The institute's calculations, however, show growing import penetration of the UK capital goods market, while imports of finished manufacturers are rising rapidly.

Since overall growth of the economy will be heavily dependent on rising investment in plant and machinery, the associated rise in imports is likely to be disproportionately large, the institute says.

Imports look set to increase by 7.1 per cent this year after 5.0 per cent growth in 1983.

The resultant worsening of the current account and rising interest rates abroad will put further downward pressure on sterling. Its effective rate against a trade-weighted basket of currencies will decline to 77 by the end of 1985 from 80 at present (Bank of England index 1975=100).

The institute says the main factor behind rising inflation will be higher import prices sparked by buoyant world commodity prices and the depreciation of sterling.

Domestic costs and profit margins are expected to remain relatively stable as wage settlements and earnings hold to about present levels.

The institute is sceptical that the Government will be able to hit its targets for reduced public spending, arguing that wage limits in the public sector have already proved over-optimistic.

Spending in 1984-85 is thus likely to be about £1.3bn more than predicted in the budget, and the public sector borrowing requirement little changed from last year.

FORECASTS FOR THE UK (annual per cent change)

	1983	1984	1985
Output	2.2 (2.2)	1.9 (2.2)	2.3 (1.4)
Consumer spending	3.9 (3.7)	1.5 (2.0)	2.4 (1.3)
Exports	0.8 (1.4)	6.7 (4.5)	3.1 (3.1)
Imports	5.0 (4.3)	7.1 (6.2)	2.8 (3.7)
Retail prices (4th qtr)	5.1 (5.1)	6.0 (6.8)	6.0 (7.8)
Unemployment (m adults)	2.9 (2.9)	3.0 (3.0)	3.0 (3.2)
Current Account balance (£bn)	2.0 (2.0)	1.2 (1.4)	−0.2 (2.2)
PSBR (£bn, fiscal year)	9.8 (10.1)	9.7 (8.6)	9.2 (7.8)

Figures in brackets from February forecast

World recovery loses momentum

By Michael Prowse

WORLD ECONOMIC recovery is expected to lose momentum next year. Output in OECD countries is set to rise by 4 per cent in 1984, but by less than 3 per cent next year, the institute says.

The slowdown is partly reflected in a weakening of this year's industrial investment. The pattern of economic growth detected by the institute offers little hope of a substantial fall in unemployment.

The gentle fall in unemployment that came to a halt in the middle of last year is, however, more likely to resume than be reversed. Any further decline will probably be concentrated in North America, the report says.

Consumer price inflation for all OECD countries taken together is expected to remain roughly stable for the next two years at just under 6 per cent.

In the U.S., however, inflation is forecast to rise from 3.2 per cent last year to 6.5 per cent in 1985. In Western Europe, though, the institute expects the gentle decline in inflation to continue.

OECD countries' combined current account deficit is expected to increase this year but fall in 1985. In common with other forecasters, the institute suggests that the U.S. deficit and the Japanese surplus will both grow rapidly this year.

The institute's forecast of an appreciating underpins its expectation of a large West German current account surplus in 1985.

Although oil-exporting countries' export earnings are unlikely to regain their 1982 dollar value until next year, the institute expects the group's recorded current account to move back into surplus despite the understatement of investment income.

The outlook for the dollar, the report suggests, depends largely on investors' confidence in the U.S. authorities' ability to keep the U.S. economy on a "sustainable non-inflationary growth path." The institute has assumed in its forecasts a gradual decline in the dollar against the yen and most continental European currencies.

In the shorter term, trade prospects are the best for six years, the report suggests. In 1984 and 1985 the institute expects world trade to grow by about 5½ per cent in volume.

However, the revival of trade during this world recovery has been much more subdued than in 1975–76. In the last three years, trade in manufactures has risen only 1½ per cent. More surprising, total world trade has fallen even though the total output of OECD countries has increased by 3½ per cent.

In the last economic cycle, total world trade and trade in manufactures expanded faster than OECD industrial production.

The institute suggests several explanations for the poor performance of world trade this time. First, manufacturing production is rising more slowly than OECD output instead of faster as in the 1960s and 1970s. This is a result of the "normal tendency towards de-industrialisation"; once a certain stage of development is reached, the share of services in total output tends to rise.

Secondly, the growth of energy-saving initiatives and depletion of oil stocks has led to falling trade in oil. Thirdly, increasing protectionism has meant that OECD countries' imports have fallen relative to their output – although the institute is unable to quantify this effect.

Finally, non-oil developing countries, in particular, have been forced to cut back their imports as a result of mounting debt-service burdens and deteriorating terms of trade.

The institute has also, as usual, reviewed the prospects for individual economies. It believes the strength of the U.S. recovery has been generally under-estimated. It has raised its forecast for U.S. growth this year to 6 per cent. In 1985, however, the growth rate is expected to halve to only 3 per cent.

Reasons for short-term optimism about the U.S. economy include the latest investment intentions survey – it suggests a 17 per cent (at current prices) rise in business capital spending this year. And, despite rapid stockbuilding in the first quarter, stock-output ratios in manufacturing remain low.

The report argues that Western Europe as a whole can expect growth of 2 per cent this year, rising slightly in 1985 in marked contrast to declining growth in the U.S.

The outlook this year is particularly poor in France however; growth of only ½ per cent is forecast. The most promising part of the French domestic economy appears to be investment. Prospects here are brighter because the French government has recently unveiled new incentives.

Domestic demand is strengthening rapidly in Japan, the institute suggests. It expects the Japanese economy to grow nearly twice as fast as Europe's in 1984 and 1985.

National Institute Economic Review No 108, from National Institute of Economic and Social Research, 2 Dean Trench St, Smith Square, London SW1. Annual subscription £30 (home), £40 abroad.

FORECASTS FOR GDP GROWTH AND INFLATION IN OECD COUNTRIES

	U.S	Canada	Japan	France	West Germany	Italy	UK	Others	Total
GDP (% rise in volume)									
1983 (est)	3.4	3.0	3.0	0.7	1.3	−1.2	3.5	1.0	2.2
1984	6.0	4.5	4.5	0.5	3.0	2.2	1.9	2.5	4.0
1985	3.0	3.0	4.5	1.8	2.8	3.0	2.3	2.2	2.9
Consumer prices (% rise)									
1983	3.2	5.9	1.9	9.6	3.0	14.6	4.6	9.5	5.3
1984	5.5	6.0	2.0	7.0	3.0	11.0	5.5	8.5	5.7
1985	6.5	6.5	2.5	5.0	3.0	9.0	6.0	7.5	5.8

Source NIESR

Job levels changed by expectations for future

BY OUR ECONOMICS STAFF

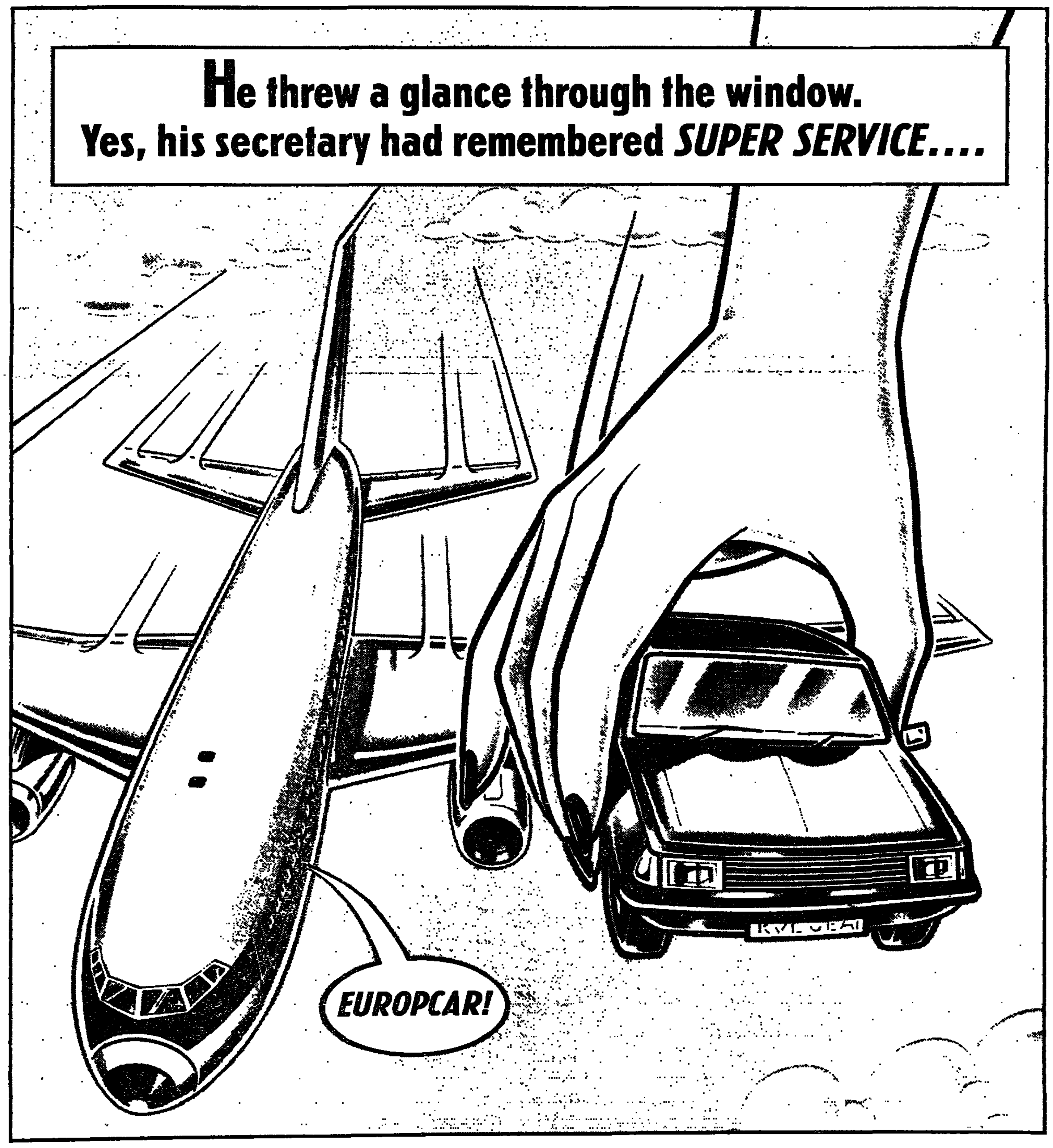
EXPECTATIONS of the future pace of economic growth play a central role in the employment decisions of British manufacturing companies the National Institute says in a separate analysis of the steep increases in UK unemployment in recent years.

During the 1974–75 recession, companies seem to have hoarded labour in excess of their needs because they thought it would be necessary if demand picked up again. When the last recession broke, this confidence in the future was eroded and manufacturers ran down their workforces very rapidly.

The institute says this appears to have been a reflection of the impact of tight economic policies on growth expectations, as well as of a loss of cost competitiveness.

Downward revisions to industry's output expectations followed the Government's deflationary fiscal policy and the high real exchange rate for sterling.

The institute concludes that policy should be sufficiently expansionary to inspire expectations of faster growth, while remaining cautious enough not to inspire doubts about whether the improvement can be maintained.



THE MANAGEMENT PAGE: Marketing

Poster Advertising

Out of the doldrums

Feona McEwan reports on a shake-up in the industry

A WELL-WORN joke in the advertising industry tells that the biggest technological innovation in recent years in the poster business has been the switch from wooden to aluminium ladders. This reference to the oldest advertising medium's lack of corporate marketing muscle—a fault of which it is all too aware — underlines its present dilemma. For posters have had a rough time, losing market share to their more marketing-minded rivals — television, press and radio. Increases in site rentals, too, have squeezed profit margins. As if that were not enough, environmental pressures constantly threaten the giant billboards with their outsize messages and David Ogilvy, O and M's founder, predicts in his latest book that they will be abolished.

Posters may be a small fraction of the overall advertising equation, representing 3.8 per cent of the annual £3.5bn ad revenue (according to latest Advertising Association figures) but £137m is still big business. What's more, it is a high visibility medium which has brought us some shining examples of creative advertising at its best. Remember the breathtaking Araldite car-on-a-poster ad, witty Winston, sexy-if-controversial Pretty Polly girls, and the surreal Benson and Hedges art forms.

The demise—by government decree—in the early 1980s of British Posters, the selling cartel, did nothing to further the medium. "It set the clock back," said one media director. "BP had brought the industry into the late 20th century."

Historically the poster business is made up of disparate elements, each contractor or site owner, be he garage owner with a gable end site, brewer with a pub site or local authority with demolition sites, operating independently. These were pooled into "packages," thus making them more accessible to advertisers, by BP, acting as a central buying office. Since its dissolution by the Office of Fair Trading, the poster business has been in the doldrums.

But signs are emerging of renewed vigour within the ranks which may revitalise the medium's appeal for advertisers and agencies—many of whom were originally disenchanted by poor commission rates.

One is the arrival on the scene of energetic newcomer, London and Continental Advertising Holdings (through its poster arm Summit), which this month stole a march on more established rivals when, in a cheeky coup, it announced plans to take over ailing giant London and Provincial, a company more than four times its size and one of the oldest in the business.

From nowhere to one of the largest poster contractors in the UK for a concern that only espoused the business four years ago, is no mean feat. L and C now owns 20 per cent of the nation's 170,000 odd sites, with the OFT's blessing. It now stands shoulder to shoulder with Mills and Allen, an international group with financial and insurance broking, as well as advertising, interests.

"It's good news," says John Watts, chief executive of Mills and Allen and sometime critic of the medium's shortcomings. "They have been highly aggressive and innovative as a small contractor and anything that brings about a more sophisticated selling approach—and they see themselves as salesmen —is to be welcomed. They certainly have a good track record."

That record shows a tripling of turnover in four years by L and C with a profit last year of more than £500,000. Conversely in that period, L and P increased turnover by £1m to nearly £19m but dropped in profits from £3.85m to under £1m. L and C now has its work cut out.

Meantime the poster, and indeed the advertising industry, awaits the long overdue poster site classification and audience evaluation project, currently being completed.

Results are expected towards the end of the year. The new system aims to grade the various sites around the country (by position, aspect, whether solus or in a group), and also to come up with audience measurements, by estimating the numbers of passers-by for each site, both on foot and in vehicles.

Poster contractors are setting considerable store by this database which will enable advertisers and agencies to plan and evaluate campaigns, in line with other media. "Up until now, posters have been a subjective sell," says Watts, "when everyone else is talking figures."

London Transport Advertising (LTA) is a notable exception, able to quote chapter and verse on its viewership, due to the strict monitoring of underground through traffic. It will tell you that some 13.5m travellers use the tube a year, each one waiting on average three to five minutes for a train and standing just 12 ft away from posters.

LTA accounts for 10 per cent of the national poster market, with its bus and tube sites and about 40 per cent of the total London market. Tube posters it persuades, can be more finely targetted; it recommends a heavy retail bias such as hi-fi for Tottenham Court Road and financial services for City stations.

It quotes a bus poster only campaign for Birds Trifle in 1981: on 1,000 buses for two months it showed a threefold increase in product awareness. A total of 600 bus sides will give 89 per cent of all London adults 45 OTS (opportunities to see) in one week.

The shift for poster contractors from being sought-after (as in the late 1970s) to being the "seekers," has meant that the medium is less able to rely on the affection of agency creative departments for its revenue, and more on its own selling skills.

Gone are the halcyon days of the mid- and late-1970s when superstar agency Collett Dickenson Pearce was largely responsible for elevating posters to high fashion. Much of its most startling work, including Heineken, Pretty Polly, Clarks Shoes and Parker pens, made impact from above.

"It has never been an innovative medium," says Mike Gold of Gold Greenlees Trott, whose agency is well known for its poster work, (London Weekend Television and SDP-Liberal Alliance to name two campaigns). "That has always come from the users."

One man who's seen it all before is Mike Yershon of Yershon Media, the independent agency, who, as media director of CDP in the mid 1970s, succeeded in gingering up the poster business by setting u pspecialist contractors and agitating for improved site servicing. "We shook the industry considerably," he remembers, "and it looks as if it's about to be shaken up again. We revolutionised the outdoor medium, which was in the doldrums. It hadn't grown since television had arrived. And it was very cheap, about £30 for a 48 sheet for one month" (now about £250).

Traditionally posters have been a "beer and baccy" medium. Established advertisers like Gallaher, Imperial Tobacco, Guinness and Carreras-Rothman once locked-up favourite sites months in advance.

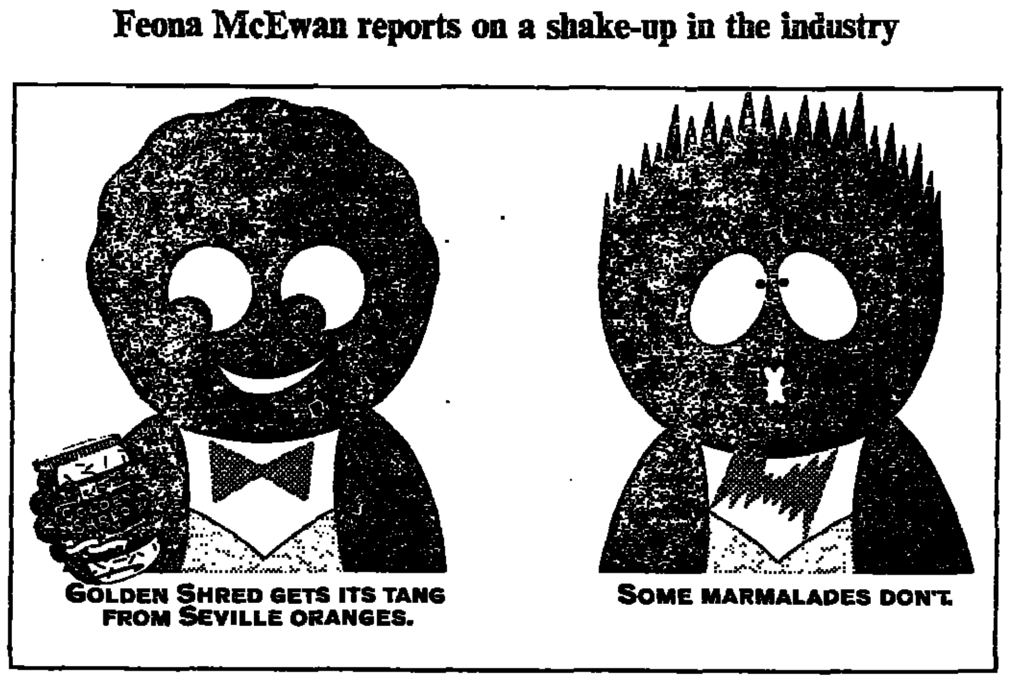
But with the decline in cigarette advertising, the market has changed dramatically, bringing with it a wave of new clients: from cars to computers, food to fashion.

In its wake, poster-buying has become more flexible and spontaneous. Advertisers can buy a site for short-term tactical campaigns for anything from one day to many months. And this at short notice.

Mike Gold believes his agency's LWT campaign, begun three years ago and winner of a clutch of poster awards, brought about further changes. "We wanted to change the poster every week on the same day which was unheard of at the time. We had developed quicker production techniques so the posters were not up long enough to become wallpaper. More like Chinese wall posters, with people looking out for the new ones." Dare one suggest the FT posters might boast a similar public following?

Creatively posters present an exciting challenge. "They are great for getting something suddenly into the public awareness," says CDP chairman John Salmon. "A very good support medium."

"It's a very disciplined medium," says Dave Trott of GGT," demanding a limited number of words. There's no arguing about body copy. You need to be simple, powerful and controversial. The client likes it because it's up 24 hours a day, semi-permanent, compared with newspapers which are finished in minutes and television in seconds."



Bartle Bogle Hegarty's campaign for Robertson's Golden Shred won a gold award from the Designers' and Art Directors' Association for the most outstanding poster campaign. "Poster advertising," says John Hegarty, "forces distillation of the thought process to its simplest expression. At best it's an art form."

Market Research

A truce comes to an end

Antony Thorncroft on the implications of the Nielsen takeover

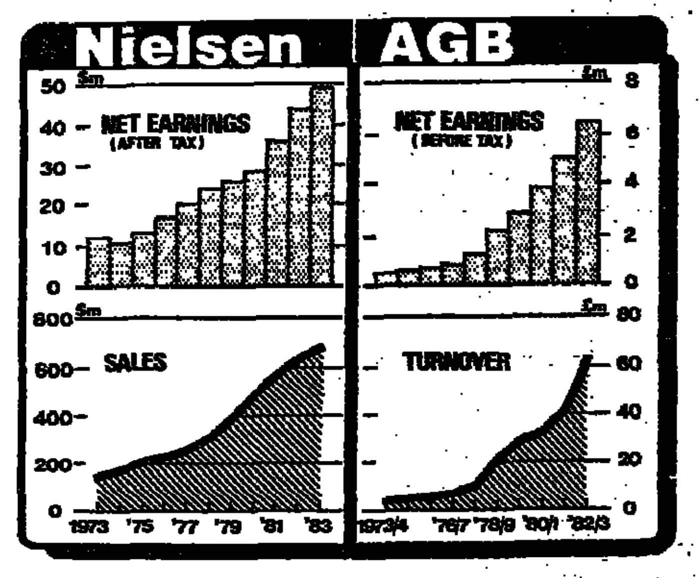
AGB and Nielsen have long dominated the British market research industry but, in the main, they have ploughed their own specialist furrows since AGB began its profitable existence by winning the ITV audience measurement contact from Nielsen (and Attwoods) in 1967. But now that competitive truce could be changing following recent developments.

AGB is attacking Nielsen's traditional base, its dominance of TV audience measurement on the major American national networks, with a trial scheme in Boston using its new People Meter device, and last week Nielsen was acquired by Dun & Bradstreet, the fast-growing U.S. information processing company.

Although consistently very profitable—profits last year were almost $50m on world wide sales of $680m—Nielsen has been coasting in recent years. Its group chairman and chief executive Art Nielsen Jnr, son of the founder, was approaching retirement: he went a month ago and this almost certainly precipitated the deal with Dun & Bradstreet. A more aggressive exploitation of Nielsen's assets can now be expected, although Dun & Bradstreet has made it clear it will continue to operate Nielsen as a distinct company.

In the UK no immediate changes are envisaged. Nielsen periodically attempts to wrest back the TV audience measurement contract from AGB but basically derives most of its £14.5m turnover from its retail audit operation. Companies in the grocery, drink, toiletries and confectionery industries have traditionally built their marketing objectives around Nielsen data, and competitors have hardly disturbed Nielsen's dominance.

In recent years it has attempted to diversify, most successfully through its coupon redemption operation in Corby, which is the largest in the field of promotional special offers by grocery manufacturers and others. In the last year Nielsen has introduced into the UK two subsidiaries which are very important to its U.S. sales Petroleum Information, which provides data on the international oil industry, and a similar operation covering the silicon chip business. But retail audits is the basis of its turnover and not amenable to much growth—in the last year Nielsen only raised its UK sales by 3.5 per cent, although the profit growth will have been greater.



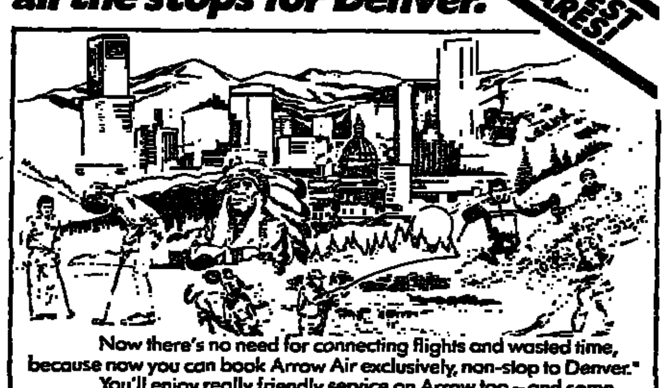
To Dun & Bradstreet, Nielsen UK will be a minor asset but, in time, it will no doubt examine its future potential. A more immediate threat to the new owners will be AGB's activities in the U.S. After winning the audience measurement contract AGB went on to become one of the most successful new companies in the UK, expanding into publishing, but with research worldwide still accounting for £40m of its £60m annual sales. It is the biggest research company in the UK with a turnover of £20m.

Its attack on the U.S. market is a gamble. It is costing it $2.5m, but some of the expense is being shouldered by two of the national television networks and 12 of the leading advertising agencies, which, at the very least, see their support for AGB as useful ammunition in either persuading Nielsen to improve its service or to reduce its price. Nielsen gets $30m a year for reporting on the size of the American TV audience but to British eyes its operation is strangely unscientific—it uses only 1,700 meters to monitor viewing in American homes (although it is now quickly increasing the number): AGB covers the much smaller UK audience with 3,250 meters, and plans to instal at least 5,000 in the U.S.

Losing television contracts to AGB would not be a fatal blow to Nielsen's profitability—it is too well diversified for that—but it woud knock its prestige. In the U.S. audience ratings are synonymous with Nielsen and the placing of $15bn worth of advertising revenue is built upon the data each year.

While Dun and Bradstreet has given an informal guarantee that Nielsen will basically be left alone for at least five years —and its record during its acquisition drive suggests that it does not wreak major changes —the backing of an enterprising new owner should stimulate Nielsen's attempts to diversify in the UK.

Apart from the coupon house, the new subsidiaries have either been imported from the U.S. or been obvious extensions of the retail audit information. Now that Nielsen is in the same group as Datastream, the computerised statistical services company which is another recent Dun and Bradstreet buy, it is much better placed to develop data bases, and to exploit the increasing computerisation of research findings. When the UK television research contract (BARB) comes up for renewal in 1988 Nielsen will be in a stronger position to mount a challenge to AGB for the £2m a year contract. By then it might also have struck out in new directions, away from the narrow market research field.



Company Notices

COMPANY ANNOUNCEMENT

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED ("AMIC")

(Incorporated in the Republic of South Africa)

RIGHTS OFFER TO ORDINARY SHAREHOLDERS AND OFFER TO OPTION HOLDERS

The Committee of The Johannesburg Stock Exchange has granted a listing of the renounceable (nil-paid) letters of allocation ("letters of allocation") to be issued pursuant to the offers from Monday May 28 1984 to Wednesday June 20 1984 and the additional ordinary shares to be issued pursuant to the offers from Thursday June 21 1984.

The Council of The Stock Exchange in London has granted a listing of the ordinary shares to be issued pursuant to the offers with effect from Tuesday May 29 1984. Dealings in the shares in respect of the period May 29 to June 4 1984 will be for deferred settlement on June 6 1984.

SALIENT DATES	1984
Record date for offers	Friday May 25
Ordinary shares listed ex rights and listing of letters of allocation commences in Johannesburg	Monday May 28
Ordinary shares listed ex rights and dealings commence in London	Tuesday May 29
Last day for dealing in letters of allocation	Wednesday June 20
Last day for splitting letters of allocation in the United Kingdom	Wednesday June 20
Last day for splitting letters of allocation in Johannesburg	Thursday June 21
Listing of additional ordinary shares in Johannesburg commences	Thursday June 21
Offers close—payment to be made by 14h30 on	Friday June 22
Postal acceptances despatched on or before June 22 1984 will be accepted until 14h30 on	Wednesday June 27
Ordinary share certificates posted by	Friday July 6

The letters of allocation and the circular giving full details of the offers will be posted to Amic ordinary shareholders and option holders entitled thereto on Monday June 4 1984.

Copies of the aforementioned circular may be inspected at the following address:

40 Holborn Viaduct
London EC1P 1AJ

from the commencement of business on Friday May 25 1984.

Johannesburg
May 24 1984

BANQUE LIBANO-FRANCAISE (France)

The General Shareholders Meeting of BANQUE LIBANO-FRANCAISE (FRANCE) was held on April 25th, 1984, under the chairmanship of Mr Gilles Doubrere.

It approved the accounts for financial year 1983 which, after depreciation, provisions and taxes, showed a net profit of FFr 10.3 million against FFr 15.2 million for financial year 1982.

As at 31.12.83, the balance sheet total was FFr 5,298 million and contingent liabilities were FFr 1,570 millions against respectively FFr 4,485 million and FFr 1,593 million as at 31.12.82.

It was decided to appropriate FFr 6.5 million to the Bank's legal and general reserves and distribute the sum of FFr 4 million to shareholders, representing a net dividend of FFr 10 per share and giving a tax credit of FFr 5.

After appropriation of results and distribution, the capital of BANQUE LIBANO-FRANCAISE (FRANCE), including subordinated loans, amounted to FFr 170.6 million.

The Meeting was informed of the nomination of Mr Bernard Vernhes as permanent representative of BANQUE INDOSUEZ, Director.

JOBS COLUMN

Why university dons still feel done down

BY MICHAEL DIXON

UMBRAGE has been taken in certain quarters at the Jobs Column's discussion last week of the conditions of employment of Britain's university dons.

The cause of the umbrage is evidently not the discussion's main topic, which habitual readers may recall was the Government's proposal to limit universities' power to grant academic staff job-security until retirement. The proposal is to set a date in the future, after which any newly appointed don will have to be liable to dismissal on two specific grounds. These are if the job concerned becomes redundant, or if the employing university runs into financial difficulty.

What has irritated some readers, especially in academia, was an illustration I used in arguing that even after the proposed change the dons would be relatively well off compared with managerial and specialist staff in industry.

The illustration was the Royal Society of Chemistry's survey of fully qualified members on January 1 which suggested that those employed as university academics tend to be paid more than their less secure industrial counterparts. The particular point of comparison was the median figure representing the pay of the person who would be placed mid-way in a ranking by pay of all the professional chemists in the same category.

Taking all ages together, the median shown by the survey for the society's fellows and members employed in universities was £16,930. That was 15 per cent higher than the median of £14,710 among the fellows and members in industry and commerce.

The main point of the protests is that by "taking all ages together" in my comparison I was being unfair to the dons. For the university-employed chemists covered by the survey tended to be noticeably older than those in industry and so, it is claimed, inevitably higher up the pay ladder.

It is certainly true that the dons concerned were more concentrated in the over-40 age groups. As far as I can calculate their average age was something upwards of 47, whereas the average among the industrial counterparts was roughly 43. Added evidence of the effect of age difference is provided by the Engineering Council's survey of the pay of chartered engineers employed in different fields during the 1982-83 tax year. That showed a £14,000 median for those in universities whose average age was 45, and a £12,100 median for those in private industry whose average age was only 41.

But I doubt that general differences in age can be the whole explanation for the dons' median advantages. Since both the chemists' and the engineers' surveys covered all pay received in money from all sources, part of the dons' lead may arise from their having on the whole greater opportunities for free-lance earnings.

As well as having a considerably longer official working year, industrial managers and specialists are under heavier pressure to be attending to their main employment every day of a full working week. While some academics undoubtedly put as much time into their regular job as any of their counterparts does anywhere, others undeniably take advantage of their less onerous official duties.

Besides there is another point worth the consideration of younger dons who feel they are unduly paid less than comparably qualified people of the same age in industry. They may *rightly complain* that, as the result of the Government's decision to curtail university expansion, younger academics are trapped in the lower university pay scales with promotion blocked by their elders appointed in the expansive years a decade or so earlier.

But is not that promotion blockage itself an effect of the convention of granting academic staff life-long security in their job, so making them proof against the competition of younger contenders even of far greater competence at the work concerned? I cannot help feeling that ambitious dons aged below 40 would do better to stop taking umbrage at pay statistics and press the Government to limit academic job-security a good deal more than is at present proposed.

Marketing pair

NOW FOR two posts being offered through two different branches of Standring Executive Search. Since neither of the recruitment consultants concerned may name his client, both promise not to identify any applicant who so requests to the employer without specific permission. The same applies to the other jobs being offered by third-party consultancies to be mentioned later.

Brian Standring seeks a group sales and marketing director for a medium-sized business headquartered in the south Midlands and specialising in chemicals for use mainly in industry and agriculture, but also in hospitals and other parts of the public sector.

The newcomer will be responsible for setting up a marketing operation virtually from scratch and for reorganising the existing sales operation.

Candidates should be numerate, and have successfully controlled and developed a sales organisation and associated technical supporting team. The most valued experience will include sales and marketing both in fast-moving consumer goods and in industrial products.

Salary indicator £26,000, plus bonus on results. Other benefits include a car.

Inquiries to Mr Standring at 83 Wycombe Road, Marlow, Bucks, SL7 3HZ; telephone 06284 5931, telex 847159 Marlow G.

His consultancy's other offer, being made through his colleague Christopher Butters, is for a sales manager responsible for the computer-linked colour graphics systems of a £3m-plus turnover company based west of London.

Candidates here should preferably have worked not only in sales but also as a systems engineer in a comparable business, and have up to date knowledge of technical developments in the field. Understanding of defence applications would help.

Salary around *£22,000*, again with car among perks.

Inquiries to Moel Fammau, *Highfield* Close, Aldershot, Hants. Tel 0252 23123.

Finance head

ANOTHER Midlands-based post is being offered by Keith Phillips of John Anderson and Associates. It is a group financial controller's job with a multi-national company, and carries responsibilty for the consolidation and co-ordination of the accounting and computer policies throughout the group's operations, including several subsidiaries overseas.

Candidates should be either head of accounting in the subsidiary of a group covering a span of different countries, or second in command of the group as a whole. Only people who have had full responsibility for consolidated accounts will be considered.

Salary indicator is £25,000.

Inquiries to Mr Phillips at Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ; tel 021-632 5758, telex JAA 338024.

Insurance

AN IMPRESSIVELY qualified accountant, with experience of financial management with a Lloyds insurance-broking concern, is sought by Tony Normile of Inter-Selection Insurance Recruitment (Southern).

The newcomer will need to have a personality capable of holding its own with a strong board dominated by insurance specialists, as well as demonstrable ability to take total charge of the financial function while keeping an eye out for possible acquisitions, promising times for stock-market flotations and so on.

Salary indicator £30,000.

Inquiries to Mr Normile at 118-119 Fenchurch Street, London EC3M 5BA; tel 01-626 8021.

International Audit Assignments in Banking and EDP

£10,000-£15,000+substantial benefits

Bank of America, one of the world's leading financial institutions, is seeking experienced staff to join its International Audit Team.

EDP SYSTEMS AUDITOR

Responsibilities will encompass the review of EDP systems in use or being developed by the Bank, and the development of systems to analyse computer based operational data. Our integrated processing, based on large IBM mainframes running IMS, is currently being implemented in Europe and the Middle East, with worldwide expansion to follow.

OPERATIONAL AUDITOR

We are seeking a recently qualified Chartered Accountant to assist in conducting audits of our branches and subsidiaries in the UK and Africa. This position offers an exposure to all areas of the Bank's activities and requires the ability to effectively communicate with senior management. Experience of computer auditing techniques would be an advantage.

Prospects for career development within Bank of America are excellent. In addition to competitive salaries, the Bank provides a generous range of benefits including low-interest mortgage, non-contributory pension plan, annual bonus and free medical insurance.

Both positions are based in Bromley, Kent and will require overseas travel.

Write, with full career and salary details to: Nicola Strong, Recruitment Officer, Bank of America NT & SA, 26 Elmfield Road, Bromley, Kent.

BANK OF AMERICA

New Business Development

Financial Sector

£25,000 Scotland

This key role will stimulate a marketing professional who is interested in influencing the direction this major financial organisation takes at a formation stage of its development. The position requires a range of skills which will have been acquired in an environment such as f.m.c.g. or financial services where professional marketing and sales management are key factors in business growth. In particular a strong product or brand management track record combined with sales management experience will be looked for together with obvious strengths in people management and an ability to think strategically. Preferred age range is 30–40.

The person appointed will be responsible for initiating and implementing market and product development through established teams and will be expected to contribute significantly to further growth across a range of market segments.

Career growth is demonstrably available in an organisation with total commitment to being the market leader. Salary and particularly good benefits including subsidised mortgage and non-contributory pension will be pitched to attract the calibre of person sought.

Write or telephone for an application form or send detailed CV to J. B. Stewart as advisor to the company, at the address below, *quoting ref SM45/8701/FT on both letter and envelope.* No details are divulged to clients without prior permission.

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Hobart House, 80 Hanover Street, Edinburgh EH2 1EL
Tel: 031-225 4481 Telex: 72556

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01-248 5208
or Telex 885033

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This highly successful branch of an old and well established International Bank offers a broad spectrum of products and services. The London Branch has been in the City for 20 years, has a wide range of clients and has recently concentrated on developing business with medium-size companies.

Credit analysis is currently carried out by both marketing officers and a team of full time analysts. Branch Management has decided to increase the capability of the analytical credit functions by creating this new position which would also include the analysis of leasing proposals and loan quality control.

The successful applicant will be responsible for the smooth running of the department and will have personal responsibility for the more complex proposals.

Major requirements are a minimum of seven years in credit analysis as part of a broad banking background, and good management and technical skills to suit an informal and highly professional environment.

Salary £16,000-£20,000 plus normal bank benefits. To apply, write to Carmina Leon of Cripps, Sears and Assoc. Ltd., (Personnel Management Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

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Please write to : Mark Hodgkin
Rectory House
Laurence Pountney Hill
London
EC4R 0DA

All correspondence will be absolutely confidential.

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Our client, a firmly established foreign Bank with a large London operation and active in International Banking, is now seeking an Operations Manager to be based in London. The global communications network is being rapidly developed and will further enhance both our client's services to customers and position in the market place.

In this environment of growing technical sophistication the Operations and Administration function plays an increasingly important role – and it is into this area that our client now seeks to recruit.

The primary emphasis of the role is one of management. You will be responsible for ensuring operating procedures and support facilities are provided to both customers and Bank units in London and our other overseas locations. Clearly, a thorough knowledge of International Banking wholesale operations is a prerequisite. Responsibilities will include the supervision of approximately 150 personnel principally in the three major functions of branch operations, treasury and communications. To take advantage of career opportunities future mobility will be an important factor.

Candidates, male or female, must have a minimum of five years' experience gained in a similar role and will possess strong personal qualities, business flair, integrity and be able to relate effectively at all levels. As a senior member of the management team you will be expected to participate in overall strategic planning.

The importance of this position will be reflected by a salary of circa £26,000 per annum plus a competitive range of benefits.

All applications should include a full career history accompanied by home and office telephone numbers where possible and should be sent, in the first instance, to Colin Payne at the address below. Please list separately any companies to whom you do not wish your application forwarded.

JPW
Recruitment Advertising
Ludgate House, 107-111 Fleet Street, London EC4 2AB.

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Please contact Robert Kimbell, in complete confidence, on the number below:
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Lively economist or business graduate with investment experience.

Salary c. £12,000 plus substantial benefits.

Prudential Portfolio Managers Limited — PPM — is the investment management subsidiary of Prudential Corporation and is responsible for managing both the Prudential's own funds and the funds of a growing number of external clients.

PPM places particular emphasis on the quality of service it provides to its clients and the continued expansion of its client base has created a vacancy for a marketing executive.

We are looking for an economist or business graduate, aged 25-30, with investment experience who is able to write lucid investment analyses and reports. These will have to attract and hold the interest of a wide range of readers, many of whom will not themselves be investment or financial specialists. The work will also involve making investment presentations to clients and potential new clients.

PPM is pursuing a policy of expansion in the financial services field and therefore this job, as well as being stimulating and demanding in its own right, will also provide wide-ranging marketing experience. There will be considerable opportunities for rapid career development.

An attractive package will be negotiated around £12,000pa and fringe benefits include a subsidised mortgage scheme, non-contributory pension and superb sports and social facilities.

Please write with full CV in strict confidence to Mark Fielder,
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142 Holborn Bars, London EC1N 2NH.

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Or write to JOHN BIRD, GENERAL SALES MANAGER, Cannon Assurance Limited, 1 Olympic Way, Wembley, Middlesex, HA9 0NB.

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Our training programme will qualify you to market an increasingly wide range of sophisticated assurance, investment and pension plans, culminating in your having earned the title, Financial Consultant. At this point, our consultants are fully conversant with our entire range of financial services, including banking services and portfolio management and have access to the developing market this represents.

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FINANCIAL MANAGEMENT

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Midlands

This senior post with a major U.K. pension fund offers the opportunity to exercise, and further develop, professional skills over virtually the whole range of pension fund management. Reporting to the Pensions Manager, the person appointed would assume responsibility for the efficient management of the schemes and be closely involved with the development of policy. Besides having a thorough technical knowledge of the business, the successful candidate will be able to communicate effectively at all levels, including the preparation of literature for members; interpret and contribute to specialist advice on actuarial, investment, legal and other matters; provide a comprehensive service to the trustees; handle negotiations on the pension aspects of sales and acquisitions and be keen to work in a challenging environment which will bring its rewards to the right person. An attractive remuneration package, which includes a company car, will be offered and the position is likely to appeal to those who are already earning at least £15,000 p.a.

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For the ambitious person who does not yet have sufficient experience for the above post, but is seeking meaningful career development, a new position is available at assistant level with exposure to all aspects of pension management. Applicants for this post will want to demonstrate their ability to exercise initiative and work with the minimum of supervision. APMI or ACII qualification would be helpful.

Both these positions are located in a modern office within easy reach of both rural housing and the larger towns of the area; relocation assistance will be given where necessary.

Please write giving details of your age, professional and other qualifications, current salary and experience, to:

Lynne Robinson, Riley Advertising (Southern) Limited, Old Court House, Old Court Place, Kensington, London W8 4PD.
Please quote reference 63/4205 on both your letter and envelope and list any companies to whom you do not wish your application forwarded.

Riley

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c.£20,000, car, benefits

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Responsibility is for the development and management of an information and accounting systems audit and security department, to ensure that data integrity and security controls are implemented and maintained for all EDP based applications and operations.

Applicants must be able to demonstrate a sound knowledge of accounting practice. Preferably they will be currently operating as either a senior computer systems auditor, project manager or systems manager in a company employing large on-line systems.

An accountancy qualification and a university degree, probably in a numerate discipline, are considered essential. Probable age range is 28 to 35. Applicants must be experienced in conversing objectively and persuasively at all levels.

The successful applicant will be offered an excellent starting salary, a company car, and a range of significant benefits. The company offers excellent long term career prospects in a number of disciplines.

Please write or telephone for an application form to ANTHONY SPURR, Manager, Executive Selection Division, at the address below, quoting reference G1223. Applications invited from either sex.

BIS Applied Systems Limited
York House, 199 Westminster Bridge Road
London SE1 7UT
Telephone 01-633 0866

BIS Applied Systems

International Pensions and Insurance Specialist

c.£16,000 — **West London**

From their modern well equipped West London offices, my client markets and distributes the films of Hollywood's largest studios in all parts of the world. The business is complex, dynamic, highly profitable and growing rapidly.

As part of the formation of an international personnel team, the company wishes to recruit a Pensions and Insurance Specialist who will report to the Vice-President – Personnel. The man or woman appointed will be responsible for the supervision of the company's international employee benefits arrangements (pension plans and life, accident and disability insurance schemes) and the administration and control of business insurance programmes worldwide.

You will need a strong background in pensions administration and a significant element of international exposure would be an advantage. While pensions management is the most important part of the role, some experience of insurance administration is necessary. You should possess well developed communication skills as you will be in frequent contact with brokers and company managers throughout the world. Additionally you will be confident of your ability to handle both volume and complexity with a degree of independence.

To find out about the scope of this interesting career opportunity contact Richard Goldie on (0992) 552552 or write enclosing a brief CV to Macmillan Davies Personnel Consultants, The Old Vaults, Parliament Square, Hertford, Herts. SG14 1PU.

Macmillan Davies
Personnel Consultants

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(City Background)

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Ideally, the successful applicants should be aged between 27 and 40 years and have gained experience in either consultancy and/or management positions within one of the following areas: International Banking, Stockbroking or Consumer Finance. These appointments are extremely challenging and require a high level of communication skills, professionalism and determination.

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For further details telephone 01-370 2012/3 or alternatively send a brief c.v. to NKB Associates Limited 159A Gloucester Road, London SW7 4TH.

All enquiries will be treated in the strictest confidence.

nkb Associates Limited

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The remuneration envisaged represents an attractive package and the above figure is merely given as a general indicator.

Interested applicants should contact **Roger Tipple, MA, on 01-404 5751** or write to him at **Banking and Finance Division, 23 Southampton Place, London WC1A 2BP** quoting reference 3390. All applications will be dealt with in the strictest confidence.

MP
Michael Page Partnership
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Investment Consultancy

Challenging role with leading City professional firm in the range £15,000-£25,000

Our clients are widely recognised as one of the leaders in their field. They are a highly professional organisation and the work environment is stimulating.

As a result of the expansion of their investment consultancy business, they have a challenging opportunity for a highly motivated individual to provide advice to leading financial institutions. You will join a small team and be involved in the following areas:

- Long-term asset planning
- Asset allocation
- Determination of investment strategies
- Selection of investment managers
- Measurement of investment performance
- Portfolio accounting

Probably in your late twenties, you must have experience of the investment world, ideally in a consultancy role. An actuarial or accountancy qualification, an MBA or other relevant qualification would be an advantage, but is not essential.

Salary is negotiable depending on experience. Other benefits include assistance with relocation expenses, where appropriate. Early promotion to a Directorship will be considered if you provide a significant contribution to the growth of the business.

Please send a comprehensive CV. This will be forwarded direct to our client. List separately organisations to whom it should not be sent. B. G. Woodrow ref. B.1650.

This appointment is open to men and women.

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CONFIDENTIAL ADVERTISING

Fund Management

A major international bank is accelerating the development of its London performance-based fund management operation, and expanding its London-based international research capability. The following vacancies now exist within a small but highly motivated and thoroughly professional team:

Pension Fund Marketing

We are looking for someone to head up the expansion of our management for UK pension funds. We follow a careful and proven investment discipline. The right candidate will be educated and trained in investment questions and able to represent the unit to consultants and sponsors with the appropriate level of authority and understanding. We are not necessarily looking for long experience, but a sophisticated understanding of fund management will be required.

Analyst/Investment Manager: Japanese equities

Analyst/Investment Manager: UK equities

We require 2 Analysts with a minimum of 2 years' experience of Japanese and UK markets to join the research team. We want to meet enthusiastic and ambitious individuals with a high level of competence in investment-related financial analysis. You will be looking to join an investment group which has been designed for the changing investment needs of the city. We have in place a disciplined investment methodology designed for the superior results required by an increasingly competitive environment.

Reserve Asset Manager

In the fixed income section of the fund management team, we have an exceptional performance record. We are looking to take on an additional member of the team. Since our approach is less than conventional, your training is unlikely to come from the Eurobond markets: you may have a background in the gilt-edged or other domestic markets or in foreign exchange.

All four positions carry attractive salaries and the fringe benefits you would expect from a leading international bank. The group operates with a high degree of autonomomy: your future career development will reflect directly your own efforts, and the continuing success of the group.

Candidates should apply in writing with a detailed cv, stating which position is of interest to them, to PO Box A8606, Financial Times, 10 Cannon Street, London EC4P 4BY.

FUNDS MANAGER/ ACCOUNTANT

BUILDING SOCIETY – DERBYSHIRE
£12–£14,500 + CAR + BENEFITS.

The Derbyshire is a strong regional building society with assets approaching £500m and 53 branches. Later this year our senior accountant responsible for corporate finance retires from executive duties. In restructuring our finance division, we seek a person experienced in managing cash and investments (mainly British Government securities).

The main responsibilities will be the management of the Society's liquid funds, currently totalling nearly £100m, and the development of the Society's wholesale funding requirements. Therefore, the requirement is for someone with relevant experience and expertise in this area – not necessarily with a building society.

As the successful applicant will also be expected to make a positive contribution to other areas of the Society's financial operations, it is important that an interest in accountancy functions can be demonstrated.

We would expect applicants to be aged 28-40 years, possess a relevant professional qualification, be self-motivating, capable of detailed work, and have the ability to think on a strategic level. In addition to numeracy, communication and staff management skills will also be important.

We can offer a challenging job and a fine working environment in pleasant Derbyshire countryside. In addition to the usual benefits, a staff mortgage scheme is available.

Applicants should write direct to N Pugh F.C.A., marked "Funds Manager, Confidential," enclosing a full C.V.

Derbyshire Building Society, Duffield Hall, Duffield, DERBY DE5 1AG

The Derbyshire
BUILDING SOCIETY

JAMES CAPEL & CO.

SENIOR PRIVATE CLIENT EXECUTIVES

We require two additional senior executives to help in the further expansion of our Private Client Department.

Preferably aged 35-45, applicants will have extensive experience of private client portfolio management and may already be principals in their present firms.

The successful candidates will be expected to take responsibility for looking after a growing number of clients, both on a discretionary and non-discretionary basis, and to make an active contribution to the department's continued development.

If you think you might be interested, please write in confidence to:

N.A. Fraser,
James Capel & Co.,
Winchester House,
100 Old Broad Street,
London EC2N 1BQ.

ACQUISITION ASSIGNMENT

A company in S.E. London seeks a person to conduct an acquisition search. The job might appeal to a recently redundant or retired executive, but age or circumstances will not be a barrier. Experience at a senior level in the areas of Fluid Control Instrumentation and/or Engineering Plastics is required, either in a General Management or Marketing role. Essential personal requirements are energy, resourcefulness and a determination to get the job done.

The position is seen as a temporary assignment of up to one year. Salary is negotiable circa £10-15,000 and the successful candidate will enjoy the benefits of being a member of a large international group.

*Applicants should write to Box A8608, Financial Times
10 Cannon Street, London EC4P 4BY with a brief personal cv
All applications will be answered*

INVESTMENT ANALYSTS

We are currently recruiting on behalf of three leading stockbrokers for experienced analysts with proven track records in the following sectors: Building, Chemical, Electrical, Banking, Engineering, etc. Excellent salaries and benefits are envisaged for successful candidates.

We are also conducting interviews for graduate trainee positions in stockbroking and would be interested to hear from applicants with a degree in Maths, Physics or Economics.

We have many vacancies for experienced stockbroking clerical and secretarial staff.

**CONTACT SERVICES STAFF BUREAU
35 NEW BROAD STREET, EC2 01-638 9427**

Eurobonds – New Issues Manager

London/City — **Circa £25,000 plus usual benefits**

Our client, a major prestigious Merchant Bank, with an enviable reputation in international finance, is seeking to recruit a New Issues Manager.

Reporting at Director level, you will be responsible for and familiar with all aspects of preparation and execution of documentation, also pricing in both Sterling and Dollar sectors. You will be expected to manage successfully all new issue operations, and must be able to contribute to the formulation of marketing plans. Some overseas travel is envisaged.

Aged 27-35, you will have 4-5 years experience in New Issue activities, preferably gained in a banking environment. You must be articlulate and self motivated, with a positive approach. Your personal presentation will be immaculate and good inter-personal skills a pre-requisite. Fluency in another European language would be an advantage.

To discuss this opportunity please telephone or write in confidence to Beverly Kemp reference BR

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Corporate Finance

Due to the continuing expansion of its U.K. and international corporate finance activities, Credit Suisse First Boston Limited wishes to recruit additional Executives for this area.

Candidates, who will be aged 24-27, will either have a professional qualification in law or accountancy and have worked in a leading city or international firm or will alternatively be business graduates with subsequent relevant experience. A working knowledge of a European language other than English will be considered an asset, while a willingness to travel is essential.

An attractive remuneration package will be offered, including the usual banking fringe benefits.

All applications should be addressed to: T.M.B. Kerrigan, Personnel Manager, Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ.

CSFB

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Appointments Wanted

NEED A PERSONAL ASSISTANT

Potential business women seeks a responsible position, able to use own initiative. Knowledge in business studies and experience in organising, administration and computing. Willing to travel. Will consider any offer.

Write Box A8611, Financial Times 10 Cannon Street, London EC4P 4BY

Training Manager

to £16,000 p.a.+benefits

We are a large international corporate bank employing over 1,000 people in the UK. We seek an innovative manager with 3-5 years' general personnel or training experience to take responsibility for all formal training at The Morgan Bank in London.

You will be accountable for the preparation and implementation of comprehensive training plans, development of new training programmes to meet rapidly changing business needs, and the evaluation of training performance. To achieve this you will have responsibility for a substantial training budget.

You will be qualified to degree level, with a proven track record of initiative, accomplishments and an ability to communicate with all levels of management. Prior banking experience is desirable but not essential.

The salary is enhanced by an attractive range of benefits including profit sharing bonus, mortgage subsidy, non-contributory pension, medical and life insurance schemes.

Please write with a full c.v. to Malcolm Parker, Manager Manpower Planning, Training & Development, Morgan Guaranty Trust Company of New York, PO Box 161, 1 Angel Court, London EC2R 7AE.

The Morgan Bank

The Susan Mills PORTFOLIO

Vickers da Costa Limited is one of the largest firms of stockbrokers with membership of the London and major International Stock Exchanges. The firm is a major force in Far Eastern securities, and has a large private clients department and growing institutional business.

A merging of interests with a leading bank makes this a time of challenge and opportunity for the firm, and those who take up the following appointments:

Accountant
to £11,000 + bonus

You will assist the Chief Accountant with his present workload, and undertake a range of tasks arising from the merger.

The production of statistical information, accounting and management reports will be among the duties.

Age under 30, and an ACA, ACCA or finalist, you must have 3/4 years' experience in the profession, industry or commerce.

The following three appointments exist within the private clients department which is recognised as a growth area within the company.

Stockbroker
Salary negotiable

To assist 2 Senior Managers with the management of key client portfolios and general office administration responsibilities.

Aged 24-45, you should have a good standard of education, plus a minimum of 3-5 years private clients' stockbroking experience. (If over 27 you should have taken Stock Exchange exams.) In addition, you should be numerate and articulate, have an out-going personality and be ambitious.

Stockbroker
Salary negotiable

To service existing clients and introduce new business to the company from a new location. Preferably aged 30-40 you should have at least 3-5 years' experience of private client and corporate work.

A good level of education and Stock Exchange exams are essential.

Administrative Assistant
£6,500-£7,500 + bonus

This is a new area of business handling private clients' portfolios with Prestel. The job will involve the whole spectrum of processing computerised instructions. Probably in your mid 20's, with either an 'A' level or degree in Mathematics, you should have the drive and ambition to enter stockbroking, and be prepared to work over the odds. The ability to organise, numeracy and a lively personality are other qualities required.

If you match these requirements, please send full career details to: Susan Mills, The Susan Mills Portfolio, 2nd Floor, Hampden House, 84 Kingsway, London WC2B 6AE.
Or telephone 01-242 3276 for an application form.

Sun Life Assurance is one of the leading companies *transacting life assurance and pensions business with* funds exceeding £2½ billion. Its Investment Division is based in London. With our excellent fund performance and good reputation in the market, we are looking for a number of high calibre staff to join our team:-

Fund Management
-U.S. and Japanese Equities

Salary range £17,000 to £23,000 plus car.

We wish to appoint two managers with a proven sector record, one to specialise in the Japanese market and the other in the United States. The successful candidates will have had at least 3 years' relevant sector experience.

Fund Management
-U.K. Equities

Salary range £10,000 to £20,000 depending on experience.

Three vacancies exist in the U.K. Equity market for candidates with a minimum of 2 years' relevant experience and ideally with some previous responsibility for fund management.

The jobs will be based at our Chief Office in the City of London. Along with the competitive salaries quoted above, there is a valuable range of fringe benefits including non-contributory pension and medical insurance schemes, a house purchase scheme with preferential mortgage interest rates and a profit sharing scheme.

Written applications, including a full curriculum vitae, should be sent in the first instance to:-

The Manager, Personnel Department, Sun Life Assurance Society plc, Sun Life Court, St. James Barton, Bristol BS1 3TH.

SUN LIFE

TREASURY MANAGER

★Overseas Financing★

London based to £19,000 + car

Our client is one of the **UK's leading Industrial Groups** (turnover in excess of £1 billion) whose products are *acknowledged as market leaders worldwide. Its substantial* overseas operations play a vitally important part in the Group's long-term strategy.

As a key member of a high-level Treasury team, you will take **responsibility for the financing of overseas operations,** from the identification and appraisal of funding plans and proposals to their negotiation and implementation, as well as providing advice and guidance to operational management on a wide range of associated areas.

This important HQ role, requiring close contact with financial institutions, professional advisers and senior management both in the UK and overseas, will provide a **young Treasury professional** with significant scope for personal initiative and responsibility, as supervision will be limited to the agreement of objectives and the discussion of conclusions and recommendations.

Practical exposure to overseas financing gained within the Treasury function of a large international industrial/commercial concern, together with a high level of personal credibility are among the ideal attributes to fill this demanding and challenging role.

To apply, please send your c.v. or full career details, including current remuneration package, quoting reference FT/24, for the attention of James Rollason, CSA Associates, 6th Floor, Northway House, High Road, Whetstone, N20 9LP.

All applications will be treated in the strictest confidence.

CSA

Senior Executive

Bank Department

Our client, a major stockbroker with an ongoing commitment to the personal investment sector, needs a senior executive for its Bank Department.

Candidates, probably aged 30-40, will have gained considerable experience in a similar environment and have passed the Stock Exchange examinations.

The successful individual will be responsible for maintaining and extending relationships with Bank branches. He/she will also be expected to play a major part in the further development of the business of the department.

Remuneration, by way of good basic salary and bonus, will be made attractive to the right person.

Please reply to Anthony Innes who will treat all enquiries in the strictest confidence.

Stephens Associates
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

INTERNATIONAL BANK
CREDIT/MARKETING

Our current portfolio contains a number of career opportunities within the credit analysis/lending/business development area of international banking . . . covering a wide range in terms of specific function, level of seniority and shape, size and "flavour" of the particular bank.

CORPORATE MARKETING £15,000 - £20,000

The recurring requirement is for bankers, probably 28/35, already with a demonstrable record of successfully marketing a range of "products" to UK companies.

One or two opportunities also exist for those with specialised market knowledge (eg: Scandinavia, Trade Finance, Interest Rate Swaps) or skills (eg: fluency in German).

CREDIT ANALYSIS £9,000 - £16,000

The common denominator in these appointments is that they each demand sound (pref. formal) credit training and practical experience; the basic difference between them is that some have either immediate or projected marketing involvement whereas others are more concerned with management of the credit function.

To measure these opportunities against your own career objectives, please telephone, in confidence.

John Chiverton, Ann Costello or Richard Levering

JOHN CHIVERTON ASSOCIATES LTD.
5 Castle Court, London, E.C.3.
01-623 3861

CORPORATE BANKER

Marketing, Europe and Middle East

As a growing International Bank, our clients specific needs call for a top flight marketing officer to promote its' full range of services to US corporate subsidiaries based in Europe and the Middle East.

Aged between 25 and 35 the individual will possess a post-graduate qualification/MBA and more importantly, will have received full credit training.

The position, based in the City, will appeal to applicants from a major International Bank looking to increase their exposure, responsibilities and rewards.

For further details please write to or telephone:

Rochester Recruitment Ltd., 21 College Hill, London EC4R 2RP
Telephone: 01-248 6346

Corporate Finance Executive

Standard Chartered Merchant Bank Limited, a wholly-owned subsidiary of Standard Chartered Bank PLC, Britain's largest independent international Bank, has a vacancy for an Executive at Assistant Manager level in its expanding Corporate Finance Division.

Applicants for this appointment should be aged 25–30 and have a high level of numeracy and a professional qualification, with two years post-qualification experience of acquisitions and new issues, or of investigations, gained in a City environment.

Standard Chartered Merchant Bank, with total assets in excess of £1.5 billion, forms part of a Group with over 2000 offices in more than 60 countries, with subsidiary and associated merchant banks in many important financial centres overseas. Candidates should be prepared to serve overseas on secondment from London if required.

An attractive salary, substantial fringe benefits and excellent career prospects are offered.

Written applications, with a full curriculum vitae, should be sent in confidence to:

The Personnel Manager,
Standard Chartered Merchant Bank Limited,
33-36 Gracechurch Street,
London EC3V 0AX.

Standard Chartered Merchant Bank Limited

General Manager

for the U.K. Branch of a major U.S.-based Controls and Automation Company

Our Company is the third largest designer/installer of building automation and temperature control systems in North America. We are now expanding to the U.K. and need someone to head our operation. The position will require sales, marketing, engineering, administrative and general management skills. Intimate knowledge of the building controls market in the U.K. is essential. Our office will be opened in the South-East within close proximity to London.

The successful candidate will currently be employed in the industry and must have five to seven years of experience with a minimum of three years in a management role. A degree in one of the engineering sciences would be very beneficial but is not essential. It is unlikely that anyone currently earning less than £20,000 will be considered suitable.

Our Company provides a compensation package of salary and bonus based upon the accomplishments of the individual and the organisation he builds. Please provide a curriculum vitae and salary history to:

Clell D. Routson
MARK CONTROLS INTERNATIONAL
Foundry Lane, Horsham, West Sussex RH13 5TL

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If you are a redundant or 'slightly used' executive or professional person, or have some other career crisis, we can help you by offering the most comprehensive **Career Counselling** service in Europe. Our unique **guarantee** assures clients of rewarding careers, obtained mainly from the unpublished job market. Telephone for an appointment which could lead to some four hours free consulting — or send us your c.v.

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London: 01-580 6771, 35-37 Fitzroy St., W1P 5AF.
Bristol: 0272 22367, Maggs House, 78 Queen's Rd., BS8 1QX.
Birmingham: 021-643 4830, The Rotunda, New Street.
Nottingham: 0602 584561, Gothic House, Barker Gate, NG1 1JU.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.

FINANCIAL ANALYST SENIOR

TO £18,000

Mattel Toys European Regional Office is seeking an experienced financial analyst with a strong background in the development and maintenance of computer-based financial systems.

The successful candidate will be able to furnish appropriate academic qualifications: a post-graduate degree in a relevant field of study would be an advantage.

The responsibilities of the appointee will include the development of divisional financial estimates, annual operating and long range strategic plans, monthly variance analyses and special financial projects for European affiliates. Other responsibilities include the development of financial policies and procedures, and evaluation of capital expenditure proposals for presentation to executive management.

Candidates must be fluent in Spanish, and a second European language would be an advantage.

MATTEL TOYS
EUROPEAN REGIONAL OFFICE
32 WIGMORE STREET, LONDON W1H 9DF

Reply in writing with full career details to:

STOCKBROKING/BANKING

MANAGER to assume control of non-performing accounts	c. £20,000
INVESTMENT ACCOUNTS CLERK	c. £8,500
CLIENTS LEDGER CLERK	c. £8,500 + bonus
CONTRACTS CLERK (S/B)	c. £8,000 + bonus
EUROBOND SETTLEMENTS CLERK	c. £8,500 + bonus
CONTRACTS CLERK (M/B)	c. £9,000 + Mort.
FOREIGN DELIVERY CLERK (M/B)	c. £7,500 + Mort.
TRANSFER CLERK (M/B)	c. £7,500 + Mort.
PROPERTY ACCOUNTS CLERK	c. £7,400
FX BACK UP CLERK	c. £7,000 + Mort.
SENIOR VALUATIONS CLERK	c. £7,000 + bonus
CLIENTS LEDGER C.A.D. CLERK	c. £7,000 + bonus
JUNIOR AUTHORISED DEALER	c. £7,000 + bonus
RESIDUAL TRANSFER CLERK	c. £6,500 + bonus
SETTLEMENTS CLERK (Australian and Hong Kong)	c. £6,500 + bonus
VALUATIONS CLERK (M/B)	Salary Neg

FOR FURTHER DETAILS OF THE ABOVE AND MANY OTHER BANKING/STOCKBROKING VACANCIES CALL US ON 623 0101

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Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

FOREIGN EXCHANGE and MONEY MARKET

Manager

Major U.S. bank requires experienced foreign exchange and money manager for its London branch. Ten years' practical experience in foreign exchange and deposit dealing. Proven experience in the management of foreign exchange and deposit positions. Salary and other benefits by negotiation.

Write Box A8616, Financial Times
10 Cannon Street, London EC4P 4BY

Finance Company W1 wholly owned by Banking Group has the following vacancies:

1) Computer Programmer
experienced in Banking N.C.R. 920

2) Foreign Exchange Dealer
with at least three years experience in Spot and Forward Trading
Salary negotiable A.A.E.

Write Box A8605, Financial Times
10 Cannon Street, London EC4P 4BY

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73 Grosvenor Street, London W1. 01-493 8504

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require additional Members to join our organisation. The successful applicant(s) will be involved in all aspects of handling private clients portfolios.

Please write to Richard Holt at 6 Regent Terrace, South Parade, Doncaster, S. Yorks DN1 2EL

Offices also at:
Blackburn, Bolton, Preston, Lancaster and York

Accountancy Appointments

MANAGER FINANCIAL CONTROL
c. £17,000 + benefits

Our client, a leading merchant bank, seeks applications from chartered accountants, aged 27-35 with at least three years post qualification experience for this prestigious career post. You will be responsible for a number of vital functions such as maintenance of banks own accounting system and providing general advice. You should be a self starter with a good understanding of tax matters, capable of motivating a small team.

For full details of this and our many other vacancies call:
Robert Milne 01-430 4381
CRAWFORD RECRUITMENT SERVICES

CHARTERED ACCOUNTANT

Financial consultancy specialising in international tax structuring and trust work require a young and ambitious CA for training and development. Foreign languages helpful but not essential. West End offices—excellent potential.

Write in confidence with personal details to Box A8612 Financial Times 10 Cannon Street, London EC4P 4BY

Chief Accountant

Investment Banking

£28,000 plus banking benefits

A rapidly expanding Licensed Deposit Taker, a subsidiary of a leading European Bank, seeks to appoint a Chief Accountant. The company offers a broad range of investment banking services and is particularly well established as an issuing and trading house in bonds and equities. Staff totals 90 and is increasing steadily.

The Chief Accountant, who will report to a Director, will be fully responsible and accountable for all accounting functions and for special projects as appropriate. The latter will include close involvement in the continued development of recently implemented computer systems.

The appointee will be a chartered accountant in his or her 30's. Relevant experience within a bank, ideally with a securities emphasis, or a stockbroker is essential. A strong systems background and proven staff management skills are also required.

Please write in confidence, enclosing career details and quoting reference 2577/L, to N.P. Halsey, Peat, Marwick, Mitchell & Co., Executive Selection Division, 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Finance Director (Designate)

Bucks. **c£17,000+car**

Our client, a small privately owned high tech manufacturing company, is a profitable (£1 million turnover) specialist in the field of business communications equipment. They have achieved considerable penetration in the market place, both in the UK and overseas and their innovative design has established a significant reputation with major blue chip companies and multinationals.

A three-fold increase in turnover is projected in the next two years with exports accounting for over 35% of total sales and plans are in hand for an early flotation onto the USM.

To facilitate this development a bright, dynamic Accountant is now required to head the total finance and administration function. Further duties will include computer development, close liaison with the marketing function on pricing policy etc. and the imposition of tight financial controls.

Reporting to the Managing Director, candidates will be qualified Accountants aged around 30 with the commercial awareness, drive and commitment required to identify with this progressive environment and successfully guide the company through their next anticipated phase of expansion.

Excellent career prospects exist for a dedicated and outgoing individual with the potential to grow on a parallel with the company.

Candidates should write to Philip Cartwright, ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 126, at PO Box 143, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

European Controller – Amsterdam

DFL 90,000 + Car + Substantial large company benefits

Our client, a major US corporation in the entertainment industry, with an expanding European presence, currently seeks a financial executive to be based at their offices in Amsterdam.

Reporting to the Financial Controller, New York, and responsible for a professional team of 6, this key role encompasses a wide range of responsibilities to include:-

- ★ Preparation of routine & fiscal year end statements
- ★ Financial analysis, planning and reporting
- ★ Budgetary control and foreign cash forecasts
- ★ Operational review & liaison with external auditors
- ★ Performance monitoring of joint venture companies

Candidates aged 27-35, will be qualified accountants with an MBA or equivalent and a minimum of 5 years p.q.e. in a fast moving international environment. Fluency in English together with a working knowledge of computer systems is essential. An effective communicator, you must be self motivated with the potential to work under pressure & the flexibility to undertake at least 25% travel.

This highly visible role presents a challenging and rewarding career opportunity for an individual capable of maintaining a high standard of performance in this dynamic market sector. Relocation assistance is available.

Interested applicants should contact **Mark Brewer** on London 831-0431 or send a comprehensive C.V. to Michael Page International, Sicilian House, Sicilian Avenue, London WC1A 2QH. Interviews will take place in London.

Michael Page International
Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Finance Director

Marine Services

Central London

to £22,000

This substantial organisation offers a unique range of marine-related services around England and Wales. In supporting a large number of remote installations, it operates its own fleet of vessels and a significant engineering facility. Historically there have been few matters of maritime interest in which it has not had influence or involvement and it plays a vital and active role in maritime safety, both nationally and internationally.

Emphasis on improved management information systems and greater cost control has created a need for a new position of Finance Director. As a member of the Executive Board, the role will take full responsibility for preparing financial plans and policies, all accounting practices and liaison with the financial community. The initial task is to develop and implement a systems strategy to meet the information needs of both financial and operational management. This is an important appointment, challenging to the full your technical and inter-personal skills.

Candidates will be qualified accountants with successful experience of leading a comprehensive financial service and of effecting change in a well established, structured environment. Experience of installing computer based information systems is a prerequisite. Essential personal qualities include Board level presence, diplomacy, total technical confidence and well developed people management skills.

Please reply in confidence giving concise career and personal details and quoting Ref: ER697/FT to I.D. Tomisson, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

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- You are decisive and adaptable
- You are mature and used to dealing with senior professionals
- You thrive on challenge, and being at the 'sharp end'
- You've particular qualities, but know that the constraints placed by working within a traditional financial environment prevent you from realising your full potential.

A paragon? Perhaps – but that is just what is needed for a tough and demanding job we have for a skilled professional. Someone, perhaps, who has a knowledge of the requirements for listed companies and for companies in the U.S.M.

If you feel that you can match these qualities and experience, we'd like to meet you to discuss the details of the job in our Quotations Department, and the benefits package which includes a negotiable salary of around £20,000 p.a. plus a car.

Please send your curriculum vitae, or telephone for further information to: Jennifer Gregson, Senior Personnel Officer, The Stock Exchange, Old Broad Street, London EC2N 1HP. Telephone: 01-588 2355 (ext. 8683).

The Stock Exchange

Chief Accountant

Gloucester c£20,000 + car

Trident Life is one of the major Unit Linked Life Offices. Part of a very successful £4bn US corporation, the company has grown rapidly to £260m of funds under management and has ambitious plans for substantial future growth.

A high calibre Chief Accountant is now sought with the experience and ability to help inspire and control this expansion at a senior level.

Reporting to a main Board Director the successful applicant will take full responsibility for accounting, internal control procedures and taxation.

The prime objective is to provide reliable management information, allowing business decisions to be made quickly and with confidence. Maximising the use of cash resources and involvement in planning strategic growth will present further challenges.

Candidates must be qualified Accountants aged around 35, who can demonstrate a successful career in a progressive, profit conscious environment, involving sophisticated financial reporting.

The successful applicant will need to have a professional, enthusiastic and participative approach and above all, a commitment to achieving tangible results. Experience of insurance or a financial institution would be useful.

Please write with comprehensive personal and career details to: Mr. A. Austin, Group Personnel Manager, Trident Life Assurance Co. Limited, London Road, Gloucester GL1 3LE.

Trident Life
A member of the GeneralRe Group

Group Finance Director

Diversified PLC

from £30,000 **City**

Our client is a long-established public company which diversified from its traditional base in shipping in the sixties. Current turnover is in excess of £60m., and the group's activities now include the manufacture of security products and systems, insurance broking and agency, road haulage, warehousing, and liquid gas engineering in addition to shipowning and related services. The group has been significantly re-structured during the recent recession and is seeking to resume its expansion under a newly-strengthened senior management team.

The Group Finance Director is a new appointment reporting directly to the Executive Chairman. Responsibility will cover all aspects of financial control as well as advice to the board and subsidiaries on accounting and taxation matters, cash forecasting, acquisition strategy and the effective use of the group's assets and financial resources.

The successful candidate will probably be aged under 45 and must be a qualified accountant with successful board level experience in manufacturing or service industry. The group is decentralised so that travel within the UK and abroad will be required.

Salary negotiable, car and share option scheme.

Please write – in confidence – to David Bennell ref. B.43756.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Financial Controller

South Wales **£20,000 + Car**

Our clients, who are UK leaders in the health care market, sales currently around £9m. have recently been acquired by a US company with an excellent growth record in their field.

Responsible to the Managing Director, key tasks will include the design and implementation of effective cost accounting controls, the integration of financial reporting procedures to US requirements and the completion of computer based accounting systems.

Candidates will be in their 30's, preferably chartered accountants, with a strong background in cost accounting and controls as well as a broad experience in financial management. A knowledge of US reporting requirements would be useful. An appointment to the Board will follow within 18 months.

Location an attractive part of Mid Glamorgan.

Please write – in confidence – giving full details to David Dodd ref. B.17708.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited, 50 Queen Square, Bristol BS1 4LW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

GROUP FINANCIAL CONTROLLER

SURREY, c£18,000,
CAR + USUAL BENEFITS

This PLC, engaged in manufacturing and distribution, has a turnover above £50 million p.a. and plans further expansion. As a senior member of a small head office team you will be responsible to the Group Managing Director for:

- monitoring group performance
- statutory reporting
- financial planning and forecasting
- tax planning

We are looking for an ambitious young C.A. from the profession or industry, seeking the prospects that an energetic, expanding company can offer.

Please write with C.V. to
R. H. Gunlack,
35 St. Thomas Street, London SE1 9SN.

Group Financial Controller

ENGINEERING

South West of London ***c. £16,000 + car***

Our client, a well established, publicly quoted engineering group with Headquarters to the South West of London, seeks a qualified Chartered Accountant with experience of exercising full control of an accounting function at Group level to report to the Group Managing Director.

Principal responsibilities will include:

- consolidation of subsidiary company accounts
- group profit and expenditure forecasts
- group and company taxation matters
- group internal audit
- overall control of the Head Office Accounts Department
- group cash flow monitoring

The successful candidate will probably be over 45 years of age and will be prepared to undertake considerable travel within the United Kingdom.

Men and women are invited to write in confidence giving career details, age and current salary. Please include your telephone number and quote 4264/FT on envelope and letter.

urwick
Urwick, Orr & Partners Limited
MANAGEMENT AND SELECTION CONSULTANTS
Baylis House, Stoke Poges Lane, Slough SL1 3PF

Accountancy Appointments

Management Accountant

Merchant Bank

City

to £25,000

including benefits

Our client is a major UK merchant bank employing over 600 people worldwide, which has recently strengthened its own corporate planning and management services team to facilitate actual and planned growth.

A Management Accountant is sought to join this small central group. Reporting to the Finance Director, the position carries responsibility to develop and operate new MIS systems for planning and control in conjunction with the present Financial Controller. Initial tasks are to install new budgeting and reporting systems for the bank's various client services.

Candidates must be qualified accountants, probably 28-32, with practical experience of costing systems and computerised accounting, probably gained in a large company. Knowledge of bank accounting is not essential. Personal qualities sought include determination, an enquiring mind, tact and strict attention to detail.

Please send full personal and career details in confidence to Peter Ginnings, quoting reference 1322/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Chief Accountant

Property Development

£16,000-£18,000+car

We seek a Chief Accountant to take responsibility for all accounting and financial reporting for a very substantial office development scheme in the City of London.

The appointee will be required to establish appropriate systems, exercise tight financial control, liaise with professional advisors and report both to the parent company in Canada and to the local project director.

Candidates should be qualified accountants of sound technical ability and above-average initiative. Relevant industrial experience is essential, ideally but not essentially in the construction or development sector.

Please write in confidence, enclosing career details and quoting reference 4987/L, to N.P. Halsey, Peat, Marwick, Mitchell & Co., Executive Selection Division, 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Financial Controller

C. London — **c£30,000+benefits package**

Our client is a major international company with considerable interests in freight, transportation and other widespread activities. They currently require a high calibre accountant to undertake a substantial role within the company's finance function.

This senior appointment primarily takes responsibility for:–

* Financial reporting
* Investment/divestment appraisal
* Consolidation of divisional accounting
* Budget control and review
* Financial planning
* Evaluation of operations performance

Unlikely to be aged under 35, candidates will be qualified accountants, preferably graduates, with at least 10-15 years' exposure to all aspects of financial management, gained in a senior position with a sizeable company or group. An assertive character, capable of critical appraisal is vital for success in this demanding position, together with the ability to make a positive contribution to the future success of the company.

Candidates should write to Philip Cartwright, ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 127, at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Project Accountant

Marketing Co.

Surrey/Kent Border

to £16,000 + car

A subsidiary of a substantial US corporation, the company markets and distributes its products and tools to both industrial users and consumer outlets. A leader in a highly competitive market, it has an impressive growth record and exciting plans for the development of new products.

As part of its drive for greater efficiency, the company is introducing a new, on-line, fully integrated EDP system. As a result, a qualified accountant is needed to provide effective leadership for the project, liaising between the supplier and the various users to ensure a smooth implementation. When the installation is successfully completed, within the next six to nine months, there will be the opportunity to replace the current Financial Controller.

Candidates should be qualified accountants, probably ACMA, aged up to 30. You should have experience of EDP systems installation, with exposure to sales oriented organisations and a broad background of accounting for management. Whilst organisation and communication skills are essential to lead this type of project, you will need additional qualities to take on the controllership: a commercial attitude, maturity and decisiveness. An attractive remuneration package with the possibility of a car will be offered depending on the potential, experience and seniority of the person appointed.

Please reply in confidence giving concise career and personal details and quoting Ref: ER698/FT to H.F. Male, Executive Selection.

Arthur Young McClelland Moores & Co.,
Management Consultants,
Rolls House, 7 Rolls Buildings,
Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Controller

City — ***c£21,000+car***

Our client is the London Commodity Exchange Company Limited, a non-profit making company providing office and trading floor accommodation together with secretarial, administrative and technical services to a number of commodity futures markets. A vacancy has now arisen for a Controller of Accounting and Administration.

The position reports to the Executive Director and carries responsibility for all accounting and administrative matters. In addition the Controller will play a significant role in the financial planning of the Company and its member associations.

Candidates, aged between 38 and 50, must be qualified chartered accountants, with substantial senior level commercial experience in a service industry environment, ideally in the financial sector. Previous exposure to the problems of project managing a large computer systems implementation or office relocation would be a significant advantage. In addition applicants should be familiar with modern office technology and experienced in the use of at least one of the micro-based financial modelling packages. A high level of interpersonal and communication skills will be required, together with the ability to motivate and develop staff. Finally, some knowledge of the working of commodity futures markets would be useful.

The position offers a chance to make an impact on a well established company which is facing a challenging and changing future. The financial rewards will also be attractive, including a negotiated salary of around £21,000, fully expensed car, pension and life assurance scheme, BUPA, and so on.

Candidates, male or female, should apply by sending a detailed CV (including current salary) to Alan Gilmour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Please quote reference MCS/9042.

Price Waterhouse Associates

Group Financial Controller

(Director designate)

West Yorkshire — **c £20,000 + car**

This key appointment is with a well-established, profitable and expanding independent group of companies with interests in distribution, storage and retailing.

Reporting to the Group Managing Director, the successful candidate will accept total responsibility for the entire financial and management accounting functions. Other important areas include the installation and development of EDP systems, financial reporting and reviewing recommendations for future growth.

Candidates, preferably graduate chartered accountants should be aged 30 to 40 and have had a minimum of five years industrial or equivalent experience. Maturity, determination, a high degree of commitment and willingness to work hard are essential pre-requisites as is a keen sense of humour. A successful performance will lead to a board appointment in the medium term.

Ref: 84/394 FT

Apply in the first instance to Brian R. Daniels, Daniels Bates Partnership, Josephs Well, Hanover Walk, Park Lane, Leeds LS3 1AB. Tel: (0532) 461671 (5 lines).

Daniels Bates Partnership
PROFESSIONAL RECRUITMENT

Manager, Special Services

(with partnership prospects)

Manchester — **Negotiable salary + car**

The Manchester partnership of Pannell Kerr Forster is an active and expanding part of an international firm of chartered accountants. With some 90 partners and staff, the practice offers a wide range of accounting, auditing and associated professional services to private and public companies and non-profit making organisations, both large and small.

As part of an overall expansion plan the practice now wishes to establish a Special Services Department to undertake investigations and reports into potential acquisitions, raising finance, share valuations or as reporting accountants in Stock Exchange flotations and other such specialist services. The appointment of a Manager with proven skills and experience in this area capable of establishing and promoting these specialist activities, is seen as a key part of this development.

The successful applicant, in their late twenties or thirties, will be a Chartered Accountant with a progressive career history in a substantial accounting firm. The need to be a self starter able to produce positive results, in time sensitive situations, is of paramount importance for success in this appointment and the realisation of the partnership opportunities available.

In the first instance please write in complete confidence quoting reference 6480 and submitting a concise curriculum vitae to:

Peter Childs,
Pannell Kerr Forster Associates,
New Garden House,
78, Hatton Garden,
LONDON EC1N 8JA.

Pannell Kerr Forster Associates

Financial Controller

Central Kent

A financial controller is required to join the management team of this small and successful electronics group which is quoted on the USM. The group's turnover is rising rapidly and prospects for further growth are excellent.

Reporting to the Chairman, the controller will provide the day to day financial input for board decision making and assume responsibility for all aspects of accounts preparation. Leading a small department, other priorities include reviewing existing computer systems and enhancing management information and controls.

The need is for an enthusiastic qualified accountant, aged 26-32, with a flair for administration and a practical grasp of the financial and secretarial requirements of manufacturing companies.

Remuneration will reflect the seniority of the appointment and will include a car.

Please reply in confidence to CT Garcia (Ref 6671F).

TML KMG
Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX

TAXATION ASSISTANT

London (City) — **c. £13,000+benefits**

This new vacancy arises in the taxation department of a major division of a leading British group whose diverse products and services are of national repute.

The ideal candidate must have sound practical experience of Corporation and Capital Gains Tax computations and a thorough knowledge of accounting and business principles gained in industry, the Inland Revenue or a professional firm. Reporting directly to the Taxation Manager he/she will prepare the taxation computations of certain allocated statutory companies and achieve agreement with the Inland Revenue.

Candidates must have the personality to establish good working relationships with senior management and demonstrate the ability to accept additional responsibilities in due course.

Applications under Ref. No. RC216 to: Miss Marion Williams, Extel Recruitment, 4 Bouverie Street, London EC4Y 8AB. Tel: 01-353 5272

Extel Recruitment Executive Selection Consultants

Finance Director

London–based

The successful candidate, who will have a legal/business affairs background, has an unrivalled opportunity to help shape and direct the growth of a well-funded, presently small, new production company which is making films and film series for worldwide theatrical and television use.

Salary by negotiation.

In the first instance please write to:
Charles Denton, Zenith Productions Ltd.,
35 Portman Square, London, W1A 2HZ,
explaining why you are the man or woman for this job.
Zenith is a subsidiary of
Central Independent Television PLC.

ZENITH PRODUCTIONS LTD

FINANCIAL CONTROLLER

Leicester-Northants Border — **c.£17,000 plus car**

A wholly-owned engineering subsidiary of an established International Group is seeking a high-calibre qualified accountant to join the senior management team.

The Financial Controller will report to the subsidiary's Managing Director and responsibilities will cover all aspects of the finance, planning and data processing functions.

Candidates (probably aged 35-40) will have proven industrial experience in a manufacturing/engineering environment with the capability to view operations from a commercial as well as financial standpoint.

This challenging position commands a highly competitive salary package, including a fully-expensed executive car and relocation expenses where appropriate.

Please send, in confidence, full personal and career details to:
Finance Director, BOUSTEAD plc, 14/15 Conduit Street, London W1R 9TG

BOUSTEAD

Accountants

Start your own Business

Invest £6,500. Earn £20/50K

My client is a highly successful business advisory organisation and its services are in such demand that additional Associates are now required throughout the UK.

As a professionally trained man or woman, you will receive every assistance and sustained support to enter into business for yourself. This will enable you to help other new businesses get off the ground, giving financial, taxation, legal and development advice, for example.

The back-up you will receive even feeds you with regular enquiries in your area, and the company's full time specialists are always at your disposal if required.

Interested? Then, ring or write to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London W1R 5FA. Tel: 01-436 6386.

Sowerby's Selection

Financial Consultant

We are professional advisers to expanding companies, specialising in government grants and general funding packages. We seek energetic self-motivated experienced Accountants/Financial Managers who enjoy varied and mobile work. Accounting qualifications, knowledge of government grants and consulting experience are particularly desirable. The remuneration package offered will relate to the individual concerned and will contain a substantial performance-related element.

Intending applicants should write with full career details to:

DAVID R. FRASER
INDAB MANAGEMENT SERVICES LTD.
Indab House, Swinton, Manchester M27 3WE

Accountancy Appointments

Taxation Accountant

London **to £16,000**

Our client, one of the UK's major construction and civil engineering groups, operates in over 30 countries throughout the world. Continuing expansion and growth has secured a significant share of the market, both at home and overseas, with over 60% of the turnover attributed to overseas projects.

The company is seeking to appoint an experienced person to join the active taxation department, which is responsible for advising and monitoring all aspects of group UK and overseas taxation. Reporting to the Taxation Manager, this appointment will incorporate a variety of activities, specifically to include:

- ★ Full UK compliance.
- ★ Participation in non-UK tax systems.
- ★ Tax planning and research.

Candidates must possess an accountancy or other suitable qualification, with a minimum of three years' relevant experience, backed by the enthusiasm and communication abilities necessary to provide an effective service to group management.

Interested applicants should contact John Sheldrake, Executive Division, on 01-405 0442 or write to him enclosing a comprehensive curriculum vitae, quoting reference 128, at PO Box 143, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Manager Corporate Accounting

N W London **to £16,000**

Our client is an innovative and world-leading company in the highly competitive field of petrochemical plant design and construction.

They currently seek an accountant with experience of computerised accounts in a large multi-national environment. Applicants must also have a sound working knowledge of UK corporate and personal taxation. Probably an ACA or ACCA and aged 30-35, you must be able to demonstrate the ability to work in a very demanding situation.

Although based in North West London, the person appointed will be expected to travel in the UK and overseas.

Our client is offering a highly competitive salary together with those benefits associated with a company of their international standing.

Please write with full CV, indicating companies to whom your application should not be forwarded, to A R Ward, CRS 332, Lockyer, Bradshaw & Wilson Limited, 178 North Gower Street, London NW1 2NB.

LBW
LOCKYER, BRADSHAW & WILSON LIMITED

Finance Manager

c.£18,000 + car and substantial benefits
Sussex Coast

A rapidly expanding subsidiary of a large UK financial services organisation requires a first rate finance manager as an addition to its management team. The company is already a significant force in its field and is currently implementing a major development programme involving a radical change in its operating method combined with a drive to increase its market share.

The Finance Manager will be primarily responsible for monitoring the financial performance of the company, communicating this effectively to management and advising on courses of action. This will include the supervision of the small accounting team and will require further systems development and implementation.

Applicants should be qualified accountants, preferably graduates, with several years post qualification experience in a large profit orientated industrial or service company. Well developed management abilities are needed combined with the intellect and energy to diagnose and solve problems.

The benefits include subsidised mortgage, non contributory pension scheme and currently an annual bonus. Age range 28-35.

Candidates should apply in writing, quoting ref. L 118, to:

Chris Haworth
Mason & Nurse Associates
1 Lancaster Place
Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Operational Audit in Europe
Manager and Auditors

London Based
c.£18,000 + Car + Benefits

We have been retained by a major American multi-national manufacturing and marketing group to advise on the appointment of a Manager and three Operational Auditors to this newly created department. The work is challenging and varied and will involve management and systems reviews as well as ad hoc assignments. Travel of 30/50% will be mainly throughout Europe and therefore knowledge of a second language would be advantageous, however, other areas will also be visited. For accountants of above average ability prospects of advancing in both Financial and General Management are excellent. Applications are invited from qualified accountants 25/32 with broad audit experience and the style to mix easily with top management. In addition to attractive salaries, Manager c.£18,000 + Car Auditors to £15,000, benefits include non contributory pension scheme, BUPA and life assurance.

Applications to R. J. Welsh.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387
(Associate Offices in America & Nigeria)

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £34.50 per single column centimetre

For more information call
IRENE NOEL
on 01-248 5205
Telex 885033

Financial Director

High Technology

Northern Home Counties

c.£25,000+car

This will be an extremely challenging job, consolidating all your technical, personal and creative business skills developed so far.

The company offers innovative commercial applications of high technology. Technical inventiveness, entrepreneurialism and aggressive marketing have established it in a unique position in its market place. Plans for the next five years see turnover increasing ten-fold, from its current base of around £7 million, including strategic acquisitions.

As part of the management team, you will contribute to achieving the company's business objectives by assessing all current commercial and financial assumptions and setting tight target dates. Beyond this, the role assumes total responsibility for running a disciplined, forward-looking finance function and for providing a continuous commercial support to general management. Success will be measured by your influence on management towards achieving the given goals.

Candidates must be qualified accountants, ideally graduates, who can demonstrate outstanding contribution to a demanding, competitive and sophisticated assembly or production environment. A forthright, committed personality combined with a creative, professional business attitude is essential to fit with the current management style. The growth will provide very real prospects for personal advancement. Experience depth required indicates an age parameter of late 30s.

Please reply in confidence giving concise career and personal details and quoting Ref. ER686/FT to I.D. Tomisson, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

In twelve months, you'll be promoted from Deputy to Cost & Management Accountant within a major UK based group.

This is not a miraculous prediction from the oracle. It's a plain statement of fact which will apply to you if you're the ACMA qualified man or woman our client is seeking.

The company is indeed part of a highly successful international group providing materials and services to the construction industry. At Head Office in mid-Surrey a Deputy Cost & Management Accountant is being sought now who will take over the senior position in a year's time due to internal promotion.

You would also be taking over a sophisticated, extensively computerised department with four staff.

This would be a superb career move if you're in your mid/late twenties with at least two years' post qualification experience in a commercial/manufacturing environment, during which time you've already demonstrated your skills in man-management. In other words, you'll be quite ready to take over the role when the time comes.

The prospects are excellent, the salary attractive and the benefits generous. They include five weeks' holiday and exceptionally generous relocation expenses.

Make the first move by writing, in the first instance and in confidence, with concise details of career to date, stating any companies to which your application may not be sent, to: F.R. Wilcockson, Director (Ref. 274).

WBH whites bull holmes ltd.
63-66 ST. MARTIN'S LANE, LONDON WC2N 4JX

PETROMIN MARKETING
DHAHRAN
SAUDI ARABIA

DEPUTY CHIEF ACCOUNTANT

Petromin Marketing requires a qualified Chartered Accountant with at least five years' experience, preferably in oil industry. Knowledge of Arabic an asset. Age 35-45 years.

Benefits include: Salary to £24,000 p.a. tax free, commensurate with qualifications and experience; housing allowance; free health care; free return tickets for annual holiday.

Complete curriculum vitae, including telephone number to:

Managing Director,
Finance and Administration,
PETROMIN MARKETING,
P.O. Box 50, Dhahran Airport,
Dhahran 31932, Saudi Arabia.

Guardian Royal Exchange Assurance

International Tax Planning—Ipswich

Salary negotiable—from £20,000 p.a.

Guardian Royal Exchange is one of Britain's leading and most successful composite insurance companies. We are represented throughout the United Kingdom and in some 80 countries overseas. Although we remain firmly a part of the traditional financial centre of the City of London, our Head Office functions are split between a number of locations and Ipswich is the centre where the majority of our financial control departments are situated.

We wish to engage a professionally qualified senior official for our Head Office Finance Department who will be responsible to the Assistant General Manager (Finance) for the planning and administration of international corporate tax matters, with particular reference to the United Kingdom, United States, Germany, Australia and Canada. The successful candidate will have gained considerable experience in this field and some experience of insurance company taxation would be an advantage.

Initial salary is negotiable according to the background and experience of the individual appointed but will not be less than £20,000 p.a. The package of benefits offered will reflect the seniority of this position and full relocation – including a concessionary staff housing loan – is available if required.

Candidates should write, enclosing full curriculum vitae, in the first instance to:–

M. K. Paisley, Personnel Officer.
Guardian Royal Exchange Assurance plc,
Royal Exchange, London EC3V 3LS.

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Director

Wiltshire/Hampshire area,
£ negotiable + profit share + car

Arising out of the merger of two companies and the re-organisation of their respective accountancy departments, this newly created position calls for an experienced, well rounded accountant who is used to being totally involved in a business. Part of an international Group, the company produces a range of engineered products with an annual turnover approaching £7M, a major proportion for export markets. As a member of a highly committed management team, responsibilities will be for controlling all accounting routines and in particular the development of cost and management accounting systems. Candidates, 35-45, should be well experienced in engineering, have a working knowledge of mini/micro computer systems and ideally have been associated with an export orientated company. Assistance with relocation will be given.

G. Sable, *Ref: 29565/FT.* Male or female candidates should telephone in confidence for a Personal History Form 061-236 8981, Sun *Life House,* *3 Charlotte Street,* MANCHESTER, M1 4HB.

FINANCE DIRECTOR

A Finance Director, responsible to the Chief Executive, is required, arising from the retirement of the present incumbent in October, 1984, to join the main board of

EAST MIDLAND ALLIED PRESS plc

an expanding publishing and printing group with an impressive record of achievement and a turnover in excess of £60 million per annum.

Candidates for this appointment will be expected to demonstrate entrepreneurial flair, business acumen and a capacity to assist group executives in the further expansion of the business. They will probably be qualified accountants or M.B.A.s with treasury experience in the age range 35 to 45, who have had some ten years' post-qualification experience in a variety of industrial/commercial posts.

The successful candidate will be required to manage a professional team in maintaining the highest standards in accounting and secretarial practice.

The post is located in Peterborough and attractive salary and benefits will be offered.

Candidates, men or women, should write in complete confidence to P. J. D. Cooke at

COOKE MANAGEMENT CONSULTANTS
18-20 Brincliffe Crescent, Sheffield S11 9AW
who are advising EMAP with this appointment.

Internal Auditor

France **c £17,000**

Our client, an expanding US multi-national, is involved in Aerospace, Electronics, Material handling and the Automotive and Machine Tool Industry with sales currently at $2 Billion a year.

A young, ambitious qualified Accountant with a sound knowledge of French (assistance could be provided to achieve fluency) is now required to join the European Audit Team, based in the UK. Work will be principally in France but opportunities will arise from time to time for assignments in Germany, Holland, Italy and the UK.

Responsibilities will be to carry out internal audits in accordance with company policy and prepare written reports with the minimum supervision. You will be required to spend 60% of the year travelling, but will be able to travel home each weekend.

Prospects to line management are excellent for those showing initiative and flair with the dedication to making this position a success.

Please telephone, or write briefly for personal history form quoting ref: BB4784, to Andrew Fowler, Regional Manager

Management Personnel
Recruitment Selection & Search
2 Eton Court, Eton, Windsor, Berkshire.
Telephone: (07535) 54266 (out of hours (0494) 881384).

Accountancy Appointments

North Sea Oil Exploration and Production
JUNIOR ACCOUNTANT
SUNBURY-ON-THAMES £11,000–£13,000

Unionoil Company of Great Britain, a subsidiary of Union Oil Company of California, wishes to engage a qualified accountant to supplement a small team responsible for financial reporting and control of the Company's North Sea exploration and production activities.

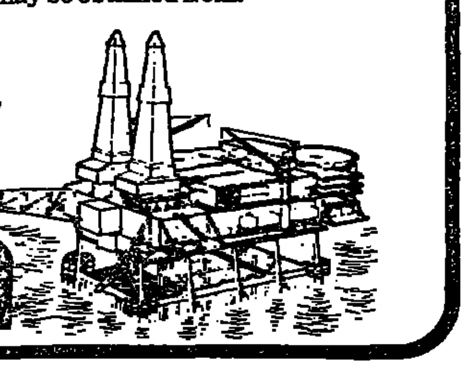
Reporting to the management and taxation accountant, initial responsibilities will include assisting with the provision of management accounting information, budgets and reviews, and preparing oil taxation returns.

Candidates, male or female, will ideally be recently qualified A.C.A.'s in the mid-twenties.

Interested persons should respond in writing enclosing a full c.v. Application forms and further information may be obtained from:

Miss Jane Hunter,
Personnel Services Co-ordinator,
Unionoil Company of Great Britain,
32 Cadbury Road, Sunbury-on-Thames,
Middlesex TW16 7LU.
Telephone: Sunbury 85600 Extn. 215.

All applications will be treated in strict confidence.



union 76

A new appointment for a recently qualified
Accountant c.£13,000 ACA

Seismograph Service is an internationally recognised exploration organisation, specialising in geophysical surveys for oil and gas reserves. The company's head office is located in a country house setting near Bromley, Kent.

This new appointment will carry specific responsibility for the company's tax affairs, both UK and overseas, as well as for limited aspects of the tax affairs of employees based overseas. There will also be some involvement in budgetary, accounting and other financial and legal matters.

Ideally, you should be a recently qualified graduate accountant. Previous experience of company taxation is desirable but not essential.

The salary negotiated will reflect your qualifications, experience and the importance of this appointment. Benefits are those you expect of a major international organisation.

Please write with full career details to
Richard Alderton, Personnel Manager,
Seismograph Service (England) Limited,
Holwood, Westerham Road, Keston, Kent BR2 6HD.

INVESTMENT SECRETARY/ACCOUNTANT

A management appointment has arisen for a qualified chartered accountant to head a team providing the necessary administrative, accounting and other back-up services for an expanding investment operation.

A number of funds and unit trusts are in operation covering conventional, managed fund and investment linked business. Applicants should have several years experience of administration with a unit trust, fund manager or institutional investor. The work includes the preparation of accounts, statistics and reports and it is desirable that applicants have a good knowledge of United Kingdom and overseas taxation.

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INTERNATIONAL APPOINTMENTS

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Golden Boy/Lyttelton

Michael Coveney

It is interesting that Bill Bryden's National Theatre company visited the Canning Town gym of Terry Lawless to train and "learn about boxing," for Clifford Odets's 1937 play—the biggest success the Group Theatre ever had—is not really about boxing at all. It is a morality play about the American dream whose hero, Joe Bonaparte, sets out for fame and fortune, "not to be artistic or different." He happens to do this *through* boxing. He likes *fast* cars and music just as much.

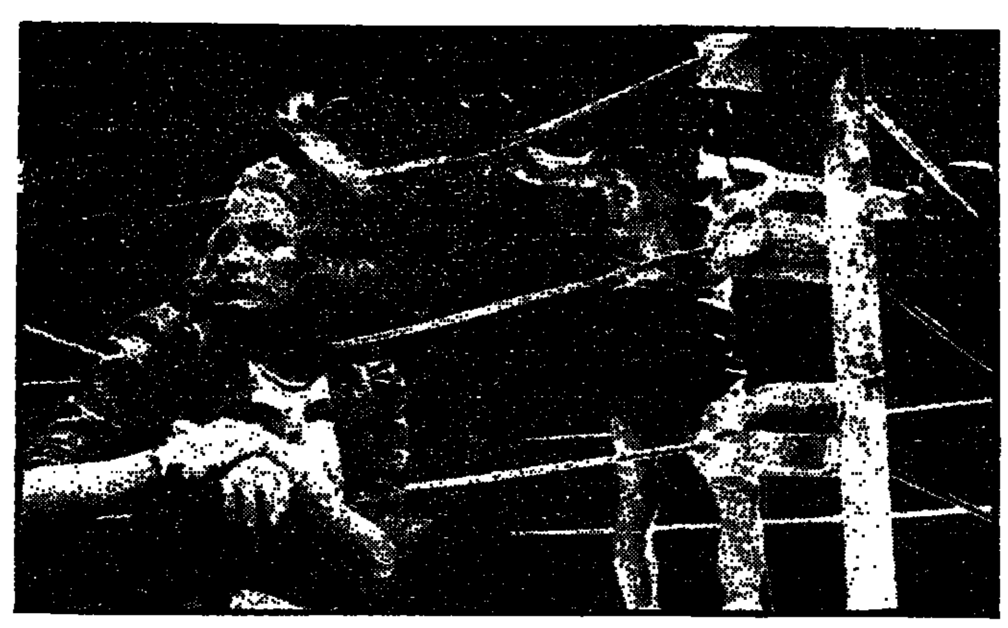
Odets is here positing the central conflict of his own career, that between art and showbusiness. Joe is a gifted violinist, but he fights for money and pushes himself into a professional bout when, as a sparring partner, he breaks somebody's hand. We do not see this incident, any more than do we see the second act bout which sets Joe on the road to credibility as a contender for the championship. All evening, however, you feel that Mr Bryden would rather show us boxing than theatre.

To this end we have a spacious, busy gymnasium, full of people pummelling punch bags and catching medicine balls while the real interest in this scene lies in how the reptilian Eddie Fuseli, brilliantly played by Jack Shepherd, starts cutting himself into the boxer's management. Hayden Griffin's lavish designs are fine when they arrive, but the huffing and puffing involved in flying in a gargantuan tiled dressing room—twice—seems hardly worth it.

More importantly, Joe has two crucial park bench scenes with his manager's girl Lorna Moon (Lisa Eichhorn) that are completely upstaged by a flickering roundabout, car headlights, exquisite foliage and a street lamp (the lighting designer is Andy *Phillips*). *By the time you take* this in, the scene is over and being physically dismantled before your eyes in an ungainly fashion. Thus the actual content is both under-served and over-exposed.

For *Golden Boy*, like much of Odets, is now dated and redolent of college playwriting classes. The analagous value of the Depression is minimal because the piece is sealed off in a vacuum of philosophical and moral awareness that is purely historical.

Joe's father (Joseph Brady) and brother-in-law (Dave Hill) represent family values in an immigrant, alien household also visited by a neighbouring Jewish Schopenhauer-quoting wisecracker played to perfection by Howard Goorney. But these scenes do not really hum so that Joe should be moved to tears of embarrassment and shame when his father visits the dressing room. He had packed away the present of a valuable violin. As his brother says, "the gold bug has visited our house."



Lisa Eichhorn

The brother (Karl Johnson) fights for his beliefs and is seen at the end with a broken head. The predictable conclusion to the drama is similarly quaint. Unlike some other recent pupils of Mr Lawless, Jeremy Flynn as Joes does at least stand his ground and conveys a white-suited viciousness when the good times roll. But this is a seriously underpowered performance, lacking in either charisma or real dynamic.

With sensational acting through the ranks, this play might be worth the trouble. As it is, Derek Newark as the philandering manager, who begins the play with Miss Eichhorn in an office similar to Hopper's at night, is a hard act to follow. Ten years ago Bill Bryden wrote his own boxing play about the Gorbals hero Benny Lynch. Significantly, the central and most memorable sequence was the 1935 world flyweight championship itself. Odets, however, cared little about boxing. Mr Bryden probably cares too much.

In *The Fervent Years*, Harold Clurman, who directed the American premiere, says he saw Joe not as a fighter but simply as a sensitive, virile boy. That, surely, is the point, and one unobserved on this occasion. The costumes of Deidre Clancy are magnificent, at one with a view of *Golden Boy* as a piece of period escapism merely.

Opera Factory/South Hill Park, Bracknell

Max Loppert

Two of the strongest forces for innovation and renewal on the musical scene have come together to provide a season of music theatre. The bill of fare by Opera Factory London and the London Sinfonietta (which is this week being shown at the new Wilde Theatre in the South Hill Park at Bracknell before visits to the Bath Festival, the Royal Court Theatre, and Oxford) has been devised to advertise the union in the most advantageous light—a chamber-orchestra reduction (by Meirion Bowen) of Tippett's *Knot Garden* and a new realisation by Paul Daniel of Cavalli's *Calisto*.

Let me begin with a simple recommendation (which will not be contradicted by whatever qualifications may follow it): don't miss either part of the double bill if and when it comes your way. The Factory-Sinfonietta combination blows fresh air through the opera world; these are intentionally designed not as "finished objects" of opera presentation for the delectation of connoisseurs and fans, but as quests among the possibilities of drawing strong, direct-speaking theatrical statements from the raw material of lyric theatre. One need not feel happy about every aspect of the adventure to warm to its underlying spirit, or to the company of mainly young singing actors (a cast of nine for Cavalli, seven of whom reappear in the Tippett).

A *scaled-down Knot Garden* makes sense; one may miss the glittering beauty and poetic rightness of the 1970 Covent Garden original, and such outstanding individual contributions thereto as Josephine Barstow's Denise and Thomas Hemsley's Mangus, yet the essence of the piece—a skein of complex relationships ravelled and unravelled during its course—can be conveyed with even greater immediacy in a small theatre and in a performance without intervals (the work lasts, after all, no more than 90 minutes). David Freeman's production is played in a severe white box, which the cast have to scale by ladder to leave and re-enter, and a collection of chairs quickly regrouped to suggest the garden, labyrinth and "magic circle" images of the three acts. It works, on the whole, with admirable economy and rightness; gestures, situations, and developments are not imposed from without but discovered from within the *musical and* verbal texts.

The plainness of the staging and the increased intimacy of the performance circumstances prove, in fact, a harder test of the work than someone previously in thrall to it might have expected. "(*The Knot Garden*) refuses," David Matthews has written, "to settle down and become a modern classic"; on Tuesday the phrase echoed and re-echoed throughout the disconcerting jumpiness of characterisation, the tendency of episodes to bubble up from Tippett's cauldron of musical and dramatic ideas only to evaporate before one has had time to follow them through. The diction of the libretto is more of a problem than ever; and, despite eloquent and accomplished conducting by Howard Williams, compensation provided by the strategically placed lyrical flowerings felt much less generous than it had at Covent Garden.

A question mark is still posed over *The Knot Garden*—it's a virtue of this staging that it makes no attempt to deny or disguise it. *Calisto*, the previous evening, had lasted quite a while after its opening with a different set of question marks hanging over it: one wondered whether all Mr Freeman could find in the work was crude modern equivalents for every detail of the Cavalli and Faustini classical fable (a grey-haired Jove in pin-striped suit and cigar with Mercury on roller-skates, Pan and his people as a beerswilling rugger team, the vengeful Juno in full Barbara Stanwyck get-up with fox furs and veiled pillbox, and so on). Opera Factory players are prepared to sing from almost any position, vertical or horizontal or in between, but it's a mistake to insist on this virtuosity.

The absence of that romantic delight which should balance the scabrous farce of any 17th-century Venetian opera performance was also the by-product of voices impressively apt for Tippett but apparently ill-equipped for Cavalli; and contact between those voices and the small group of instruments led by Mr Daniel was not always in idiomatic adjustment. But with the arrival of Endymion, unfussily acted and sung in a pure, sweet countertenor by Christopher Robson, things began to look up; and by the end of the evening the production had worked a spell that earlier seemed far outside its powers. Other notable members of the company include Marie Angel (Juno and Denise), Christine Botes (Jove-Diana and Theo), Janis Kelly (Calisto and Flora) and Nigel Robson (Pan and Dov).

Janis Kelly and Marie Angel in "La Calisto"

English gardens and foreign fields

Delius: a life in letters, 1862-1908, by Lionel Carley. Scolar Press, £25. 480 pages. Illustrated

Ronald Crichton reviews the letters of Delius, a most English composer who spent most of his life abroad.

Even for those who dislike or are indifferent to his music, Delius is interesting for his many links with cosmopolitan artistic life during the first quarter of this century. He was born in Bradford of an emigrant German wool-merchant family, ran an orange grove in Florida, studied music at Leipzig, sowed his wild oats in Bohemian Paris, settled in France near the forest of Fontainebleau with a German painter, Jelka Rosen, whom he married. Until crippling illness set in he travelled widely, conducting or attending performances of his music. He loved strenuous walking tours in Norway.

Many of his friends were Scandinavian — Grieg, Strindberg, *Munch*, Knut *Hamsun*. Among acquaintances in Paris were Fauré, d'Indy, Ravel and Florent Schmitt (oddly enough, since he was an outstanding example of a man equally at home in French and German musical cultures, there is no mention of Romain Rolland). His numerous German contacts included Strauss, Busoni and various young conductors who helped Delius gain the recognition he enjoyed across the Rhine before the 1914 war.

Lionel Carley is honorary archivist to the Delius Trust, with whose assistance this admirably edited and presented volume (the first of two, one trusts) has been published. *Letters* to as well as from Delius are included. Except for the occasional untranslatable or slang phrase they are *given in English, meticulously* annotated and seemingly very well translated by Dr Carley. Delius himself had little literary ability. Language had something to do with this. He wrote in English, German, French and Norwegian, at times changing from language to language in the course of a letter.

He does not appear to have been completely at home in any tongue. We have Jelka's testimony that "my husband does not know German well enough" to tackle the translation of the *Koanga* libretto without her help. Percy Grainger said: "I think he grew up in a home where no language was mastered." That sounds improbable for methodical German business people. More likely Delius, in spite of his love for certain kinds of poetry, had no *deep feeling for words. In his* choral works and operas one feels behind the occasionally awkward English word-setting the atavistic pull of slower, heavier German cadences. Much admittedly depends on the performers. *Listening* to Janet Baker's wonderfully natural-sounding singing of the solo "Exceeding sorrow" in the old EMI record of *Songs of sunset* one wants to think again.

Concerning English musical affairs Delius was evidently less self-centred and private-spirited than one imagined. He became quite deeply involved in schemes to create a genuine musical public. Among his British correspondents the composers Bantock and Norman O'Neill brought out the sunnier side of their difficult colleague —Beecham, the great champion, *only appears towards* the end of the period covered. Henry Wood, blunt of pen as of speech, lifts the veil from the dismal conditions of provincial orchestras.

Delius had strong and special gifts as a composer. As a man, although he had a remarkable capacity for holding the friendship of perceptive individuals in many countries, he does not emerge from the letters as lovable or even particularly likeable. There is an unattractive contrast between Jelka's whole-hearted devotion and the cool way Delius accepted and exploited her gift of a home and comradeship, without which his best works might not have been written, to say nothing of his gradual elbowing out of her own circle of friends. Jelka's quality shines in her letters and in the autobiographical fragment (printed as an appendix) about her meeting with Delius and his settling at Grez-sur-Loing. Here, almost as potently as in Frederick's music, are the sights, sounds and smells of the summer garden on the sleepy river.

Underground where the war was won

Gillian Darley visits the Cabinet War Rooms, now open to the public, and is much impressed.

"Where were you on D Day?" queried the evening paper stands as I set off for the Cabinet War Rooms. But, whether one was around then, or not, the evocation of the crucial moments, decisions and the sustained effort required to fight a world war could hardly be more vividly recalled than by a visit to these rooms. Designed with a care which—highest accolade—is almost imperceptible, by Gordon Bowyer and Partners, with Alan Irvine, the labyrinth below the pavement tells more about the operation of war at the centre, at the core of power, than anything I, at least, have ever heard or read.

The first move to this spot, ten feet below the Government Offices in Great George Street, was in the summer of 1938. By the end of 1939 the original three rooms had been extended to the number now on show. The advantages of the site were, primarily, proximity to Whitehall and the tough steel framed construction of the building.

Nevertheless, to ensure absolute safety, the complex was further strengthened, in 1940-41, by the insertion of a three-foot thick reinforced concrete slab above the basement which also allowed for the addition of further series of rooms (not accessible). It must have been a reassuring, if claustrophobic, place in which to work and one can imagine a kind of domesticity mingling with the paraphenalia of war—or so the trappings of the Cabinet War Rooms infer. It isn't hard to imagine that even during these frequently highly charged days, months and years a desire for normality must have frequently been of overwhelming importance.

The jokey souls who inserted "windy" in the board announcing weather conditions above ground every time there was an air raid must have been as essential to the working of the operation as the precision, split-second timing and perfect judgement that were required of the Chiefs of Staff and Prime Minister.

The Cabinet Room saw over 100 meetings here, from May 1940 until May 1945, but the rooms set aside for Churchill, Ismay and Bridges were used to varying degrees—the former two chose to sleep below ground as little as possible. Mr and Mrs Churchill moved to the ground floor of the same building as soon as apartments were ready.

It is, however, in the tiny details that the enormity of the task is conveyed; the drawing pins that march across Europe in the Map Room, the truckle-beds with assorted bed-heads which tell of the status of the occupant (wooden for Churchill, a little elaborated for Service Chiefs and a simple iron rail for the Secretariat staff, who were given ultra-violet treatment so that they should not suffer injury to their health from this subterranean existence). *In the age of micro*-technology it is a necessary leap of the imagination to think of the fate of the world being determined in rooms in which hand-cranked duplicators, loops of wiring suspended seemingly at random overheads, and an array of antiquated telephones were the means administering the war—just 40 years ago. So cramped were the premises that when Bell Telephones sent over their advanced scrambler machine, SIGSALY, it had to be housed in the basement at Selfridges (Gordon Selfridge back at the centre of things!) and wired up with the Cabinet War Rooms.

The designers of this new outpost of the Imperial War Museum deserve the highest praise for a degree of restraint which might teach the decorators of other museums and country houses, attempting to recreate a specific atmosphere, a thing or two. Lino on the floors, cream paint on the walls and discreet sheets of glass partitioning the public from the rooms—the feel is *completely authentic. However* much may have had to be contrived, one would never know—and that is the point. One last laurel: the standard of the souvenirs is exemplary. The pencils, rubbers, glass and many other objects on sale have been given a particular style and it sets a standard of excellence which the Design Council, at least, should reward.

Natalie/Dominion

Clement Crisp

Natalie, or *The Swiss Milkmaid*, was one of those balletic vehicles made by Filippo Taglioni in the 1830s to take his daughter Marie to triumph. And, as contemporary observers noted, it was the daughter who came to the rescue of her father's choreography. Nothing now remains of the piece save a dim score (by Gyrowetz and Carafa, whose oblivion is merited) and a dimmer narrative, *each rivalling the other in* fatuity.

It is on this unpromising foundation that Pierre Lacotte has essayed a reconstruction of *Natalie*, rather after the fashion of his *Sylphide* and *Marco Spada*. M. Lacotte has a scholarly appreciation of Romantic dance-style, but I suspect that the naiveté and narrative inconsequentialities of this *Natalie*, which the Moscow Classical Ballet unveiled on Tuesday, were ever its weakness: the critic Jules Janin, writing about its original staging, called it "the model of the silly type of ballet."

The problem with an attempt to recreate the lost charms of the Romantic dance lies in the lack of that continuing tradition of performance which develops across the years and which gives credibility to such survivors as *Giselle* or the Bournonville *repertory. With Natalie there is* no life-line, nor, in Ekaterina Maximova's assumption of the role of Natalie, that emotional and technical charm and lightness of touch which might have brought some conviction to its action.

There are group dances for merry Swiss peasants which have an air of Romantic authenticity in their gentle evolutions, and a very attractive *pas de trois* for Tatyana Paly, Anna Serdiuk and Alexander Gorbatsevich. There is a story which has elements from *Fille mal gardee* and from *Coppelia*—though none from *Giselle*, whatever the programme would have us believe. There is an automaton, a hero called Lord Oswald (brightly danced by Stanislav Isayev) and a simpleton with the unpromising name of Zug, well played by Sergey Beloribkin.

There is an unexplained lady in a long blue dress and a big hat, dreadful scenery, a rustic *vespasienne* which turns into a hunting lodge, and a general air of factitious jollity which does little to disguise the impression given by the cast that they are dancing the equivalent of the Lucerne telephone directory and don't much care for the task.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

May 18–24

Exhibitions

LONDON

The Tate Gallery: The Pre-Raphaelites. The extraordinary revival of interest of Victorian art in recent years, and its consequent rise in value, has made a proper critical re-evaluation long overdue; and now, with this copious and quite splendid exhibition, the subject is wide open. What had for so long been taken as merely a close and limited movement is clearly shown to be not so except in its earliest year, but rather a looser association of more general relevance. Millais, Maddox Brown, Holman Hunt, Rossetti and Burne-Jones all gain by the chance to be seen on their individual merits, and so emerge as substantial and consistent artists in their own right. The history of British art will never read the same again. Ends May 28.

The Serpentine Gallery, Kensington Gardens: Anthony Caro – an important show that fills London's most charming gallery: a review of the work since 1969 of Anthony Caro, who now enjoys an international reputation as a sculptor second only to Henry Moore's, but who is yet a generation younger and still remarkably active and prolific. He is perhaps the leading abstract sculptor of his time and has exerted immense influence on younger artists. Ends May 28.

PARIS

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, found her own way. Musée Rodin. Closed Tue. Ends June 11 (7050134).

Masterpieces of American Painting 1760-1910. More than 100 paintings – among them Whistler's Mother, Sargent's Madame X and Mary Cassatt's Impressionist work – span 150 years of American creation. The panorama of realistic portraits, dramatic landscapes, genre scenes and symbolist paintings culminating with Homer and Eakins and proves abundantly that the New World did not have to wait for the contemporary period to affirm a powerful identity of its own. Grand Palais (2615410). Closed Tue. Ends June 11.

Italian Illuminated Manuscripts from 6th to the 16th century. 160 exhibits that include such treasures as an illustration of Petrarch's Triumph of Chastity retrace the development of the art of illumination from late antiquity to the Renaissance. Bibliothèque Nationale. All days 12am-6pm. Ends May 30. (2618283).

The Treasure of Saint-Mark: Throughout the centuries the Venetians have amassed priceless chalices, reliquaries, icons and liturigical objects from different periods and different sources, especially Byzantine ones to the glory of their patron saint and their proud city. Venetian goldsmiths were so influenced by the fabulous collections housed in their Basilica that they themselves became pastmasters of "Oeuvre de Venise" – a style and art of their own. Grand Palais, closed Tue, ends June 25 (2615410).

Splendours of Tapestry. 60 choice hangings from the 15-17th centuries lent by museums, private collectors and gallery owners, among them the admirable Christ's Carrying Of The Cross in wool, silk and gold, Noah's Drunkenness set against a fantastic feudal castle with monsters and exotic birds in singing colours and the Foraging Party from the suite of the art of war tapestries. mûsée Jacquemart-Andre (2273994). *Ends June 17, closed Tuesdays.*

Rhyme and Reason – 600 paintings, sculptures and artifacts of the De Menil family collection ranging from paleolithic to minimal art, from Europe, America and Oceania to the Middle East and Greece take up three floors of the Grand Palais. The diversity of time, place and culture is made coherent by the reasoned care and poetic intuition – hence the title – with which this very personal collection has been assembled. Grand Palais, closed Tue, Wed late opening night. Ends July 30. (2615410).

VIENNA

The Cliche and the reality of Viennese women in their fight for emancipation at the turn of the century. Hermesvilla, Lainzer Tiergarten. Until March 1985.

NEW YORK

Painting in the South (National Academy of Design): Nearly four centuries of work from the American South in *110 paintings include Charles Willson Peale*, Winslow Homer, Edward Hopper and Arshile Gorky. Starting with a watercolour, Indians Dancing Around a Pole, from 1585, the show covers the gamut of genres from seascapes and landscapes to portraits and modern works to 1980. Ends May 27.

WASHINGTON

German Expressionist Sculpture (Hirshhorn): This is the first comprehensive look at works in plaster, bronze, wood and porcelain from the first two decades of this century in Germany. Included in the show of 33 artists and 120 sculptures are Max Beckmann, Emil Nolde, Wilhelm Lehmbruck and Ernst Barlach. Ends June 17.

Mark Rothko (National Gallery): 86 works on paper by a leading contemporary American artist begin a national tour with this exhibit in the East Building. The highlights are vivid watercolours from 1968 and 1969, a period when Rothko's canvases were already tinged with the sombre browns, blacks and greys that anticipated his suicide in 1970. Ends August 5.

WEST GERMANY

Essen, Villa Huegel: the former residence of the Krupp family, now an arts centre, presents treasures from Peru – among them more than 500 priceless exhibits never shown before outside the country. The 800 artefacts, from 2,000 BC, beautifully document Peru's cultural development. Ends June 30.

Düsseldorf, *Kunstverein*, 4 Grabbeplatz: Milan Kunc, the young Prague artist now living in Düsseldorf, is showing his imaginative, colourful canvas narratives – based on trivial, sometimes even syrupy motives. Ends May 27.

Stuttgart, Staatsgalerie: 500 graphical masterpieces from the 15th century to date are shown here on the occasion of the opening of the new house. Ends June 10.

Cologne, Kunsthalle, 1 Josef-Haubrich-Hof: More than 200 paintings, drawings, graphics and sculptures – chiefly from his later working periods – by Max Beckmann (1884-1950), one of the German painters persecuted by the Nazis. Ends June 24.

Mainz, Mittelrheinisches Landesmuseum, 49-51 Grosse Bleichen: Exhibits from a German private collection give a clear idea of the German equivalent of art nouveau. On show are more than 350 pieces – among them furniture, ceramics, glasses and pewter from the turn of the century. Ends June 3.

Munich, Villa Stuck, 60 Prinzregentenstrasse: 162 water colours and drawings from the legacy of Johannes Itten, the Swiss painter and Bauhaus teacher. Ends May 27.

Tübingen, Kunsthalle, 76 Philosophenweg: The last venue of the roving exhibition with 100 drawings, water colours and gouaches from between 1910 and 1955 by by Fernand Leger. Ends June 3.

Hamburg, Helms-Museum, 2 Museumplatz: Ancient Sardinia has 90 bronze statues, ceramics, weapons, equipment and jewellery from 4,000 BC to 500 BC. Ends July 1.

Munich, Kunstverein, 4 Galeriestrasse: Metropolitan Symphony (Weltstadsinfonie) has 150 works by fifty artists illustrating the development of Berlin realism between 1900 and 1950. Ends May 27.

Berlin, Zitadelle Spandau: Salvador Dali – 200 paintings, drawings and sculptures from between 1912 and 1979 by the Spanish surrealist. Ends June 24.

Bremen, Kunsthalle, 207 Am Wall: Max Beckmann and his Time has paintings and drawings by the German expressionist supplemented by works of such contemporaries as Otto Dix and George Grosz. Ends July 1.

Hanover, Kestner Museum, Trammplatz 3: Egyptian art from 4,000 BC to 1,000 AD is documented by 200 sculptures, objects and photographs. Ends Aug 5.

Düsseldorf, Städtische Kunsthalle, 4 Grabbeplatz: New Painting in Germany seeks to show German artistic trends on the basis of 139 paintings by 35 artists shown at a recent competition. Ends June 11.

Munich, Lenbachhaus, 33 Luisenstrasse: Orpheus' Dream has 40 mythological paintings, sculptures and environments from 1970 to date by nine Italian artists. Ends July 1.

BRUSSELS

Treasures for the Table: Gold and silverware, porcelain and glass from Vienna, Paris and Brussels, including part of the solid gold service made for the Empress Maria Theresa and Louis XV's Sèvres service offered to her to commemorate the Franco-Austrian alliance. Credit Communal Passage 44 until June.

Art and Sport: 300 paintings, sculptures, drawing and photographs including Toulouse-Lautrec, Picasso, Magritte, Leger, Delaunay, Hockney. Palais des Beaux Arts. Ends June 3.

ITALY

Rome: Accademia di Francia (Villa Medici): In 1884 Claude Debussy won the coveted Prix de Rome, which allowed artists and musicians to study in Rome for two years. He said ungratefully: "Rome is a really ugly city, full of marble, fleas and boredom". He described his room in the entrancing Villa Medici as an "etruscan tomb". The city, forgivingly, celebrates the centenary of his stay with an exhibition, Debussy and Symbolism. His symphonic poem, La Mer, was composed while staying at Fiumicino near Rome. Ends June 3.

Venice: Palazzo Fortuny: Hollywood Photographers 1921-1941: More than 100 photographs, not all flattering, of well-known actors and actresses. Ends June 24.

Rome: Casino dell'Aurora: A curious exhibition of instruments of torture dating from the beginning of the Middle Ages until the beginning of the last century. Worth a visit more for the site (especially the fresco by Guido Reni from which the "Casino" takes its name) than for the contents. Until May 31.

Rome: Museo Pigorini: "The First Inhabitants of Europe," an exhibition from the mûseé de l'Homme in Paris tracing the history of modern European Man from the earliest fossils proving the existence of "homo erectus". Until July 15.

Milan: La Rotonda. Delightful exhibition of over 1,500 toys dating from 1750 to 1960. Until June.

Venice: Amid continual justified complaints about the impossibly short and inconvenient opening hours of most Italian museums and art galleries, the Guggenheim Collection, from having been one of the least accessible, has become the most – and will now be open every day (except Tue) from 12 to 6 pm (also Sat from 6 to 9 pm free of charge). The Saturday evening opening is the result of an agreement between the Solomon Guggenheim foundation of New York and Montedison.

Padua: Palazzo della Ragione: An attractive and unusual exhibition: The Art Of Beauty: Cosmetics And Health Through The Centuries. The objects are of great beauty in themselves: vases, phials, combs and containers of all kinds from Egypt, Mesopotamia, Ancient Greece and Rome. Little has changed: it is still possible to lose hair through a badly done perm, as happened in Ovid's time. (Until end of May).

NETHERLANDS

Hans Koper: An exhibition of the ceramics of this Dutch artist and craftsman, who died in 1981, can be seen at the Museum Boymans van Beuningen, Rotterdam, until May 20. Koper was well known in England, and the display is arranged in co-operation with the British Council and the Sainsbury Centre for the Visual Arts in Norwich.

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Thursday May 24 1984

Arabs police Gulf waters

THE industrialised countries, and the U.S. in particular, have so far produced a measured response to the long-feared widening of the Gulf war to include the shipping in the area. Far from embarking upon a pre-election military extravaganza to repay Iran for its humbling of the U.S. during the Carter presidency, President Reagan has made it quite clear that the U.S. and its allies will intervene militarily only as a last resort, and only if Arab countries ask for assistance and agree to provide the necessary facilities.

For the moment it will be left to the Gulf states to keep a sea-lane open from the Straits of Hormuz to Kuwait. The threat to sea trade has wonderfully concentrated the mind of the Gulf Co-operation Council—till now a forum in which historic regional rivalries have been all too evident—and forced its defence council to face up to a practical test of its joint response to a joint challenge. The Gulf states need to be given every chance to succeed in this move towards military self-assertion.

Joint demarche

There appears to be reasonable hope that the safety net of Western action to keep the Gulf open to shipping will not be needed. Iran, which has never had any direct incentive to block the Gulf or to give its war with Iraq an international dimension, has so far been revealingly selective in its reaction to the Iraqi provocation. It has not attempted to block the Straits of Hormuz, and thus strangle its own oil exports. It has confined its attacks to Arab shipping rather than inflame its relations with other countries by sinking ships indiscriminately. Furthermore, it could well be that Iran no longer has the serviceable airpower needed to enforce its insistence that the Gulf should remain "open to all shipping or to none at all."

As for Iraq, it has an obvious interest in upping the stakes and playing its threat-to-the-West card in the war which it so unwisely started. The EEC governments have organised a joint demarche to Baghdad stressing the importance of freedom of navigation—not least to Iraq itself which last year urged and accepted UN Security Council Resolution 540 affirming the importance of that freedom.

Iraq is chiefly to blame for escalating the war to include shipping and it is clearly going to take more than a European demarche to restrain it. Saudi Arabia has understandable reasons for providing Iraq with financial and military support in this war, but it has no excuse for failing to censure Baghdad for escalating the struggle in a way which has directly threatened Saudi interests. The request by the Gulf Co-operation Council to the UN Security Council for an emergency debate on Iranian aggression against shipping is similarly blinkered in its one-sidedness.

Stalemate

The developments of recent weeks fully justify those who criticised France last year for deciding to provide Iraq with weaponry of proven effectiveness against shipping. EEC foreign policy still seems to be powerless in the face of the commercial self-interest of individual members. But the French Government really ought to reconsider the type of weapons it is willing to sell Iraq. In extremis, France might find itself patrolling waters which its own arms salesmen have made dangerous.

So much for containing this war: can anything more be done to end it? Western interests demand ceasefire or stalemate. Victory by Iran would threaten the stability of the Arab world. Victory by Iraq would turn Iran into a cockpit for strife between the superpowers. It is Iranian fervour which continues to give the war its impetus and the best hope that the war will gradually wind down is that Iranian public support for the war will evaporate.

General sanctions against Iran are best avoided: they will only increase the sense of national isolation in which extremism appears justified. But it would be sensible for Western countries to do whatever they can to restrain the supply of military equipment to the country. The UN, too, could do much more in doggedly sending missions into the two countries and generally attempting to shame them into abandoning the senseless conflict.

The Bank's role in the City

OVER THE past 12 months or so, the role of the Bank of England has changed considerably. Its influence in the management of monetary policy has diminished which may in part reflect the personalities of the new Chancellor and the new Governor. But as its standing in relation to the Treasury has declined, so its responsibilities as a supervisor of the financial markets have increased. Far more than the Department of Trade and Industry, the Bank has played the leading role in guiding the securities industry through a period of unprecedented change.

The latest example of this initiative is the decision to set up a group of senior City figures to advise the Governor on the practical steps which it will be necessary to take to regulate the marketplace in the months ahead.

Reservations

In many respects, this shift of emphasis has advantages. The Bank has unique expertise and authority in the financial markets: in matters of monetary policy, its position has for a long time been a lot less assured. There is an urgent need for informed policy making on the regulatory front, where the emergence of diversified financial services groups—combining the role of principal, agent and investment manager in one firm—presents the threat of major conflicts of interest. The task is daunting and, as the Governor said yesterday, time is running short.

Yet there must also be reservations about these changes in the balance of power. Although the Bank has never had the constitutional independence of the central banks in the U.S. or West Germany in the management of monetary affairs, it has served as an independent source of monetary expertise—something which in principle one would rather have than not. Meanwhile, its role in the City upheaval raises familiar questions about whether the Bank can reasonably be expected to combine the role of supervisor and sponsor of the City of London.

This latter point is illustrated in the terms of reference which have been laid down for the Governor's new advisory committee, which are limited to recommendations about the type of self-regulatory groupings that would most appropriately cover all types of securities business. The Governor hopes this will serve "as a means of testing how far strengthened non-statutory arrangements can meet the challenge of the fast changing securities scene," but this does not go far enough. It is already time to be thinking in terms of stronger statutory backing to safeguard investor protection than has been traditional in the UK—but the City will find it very difficult to give a lead in this direction. This is a task for the Government.

Specialist

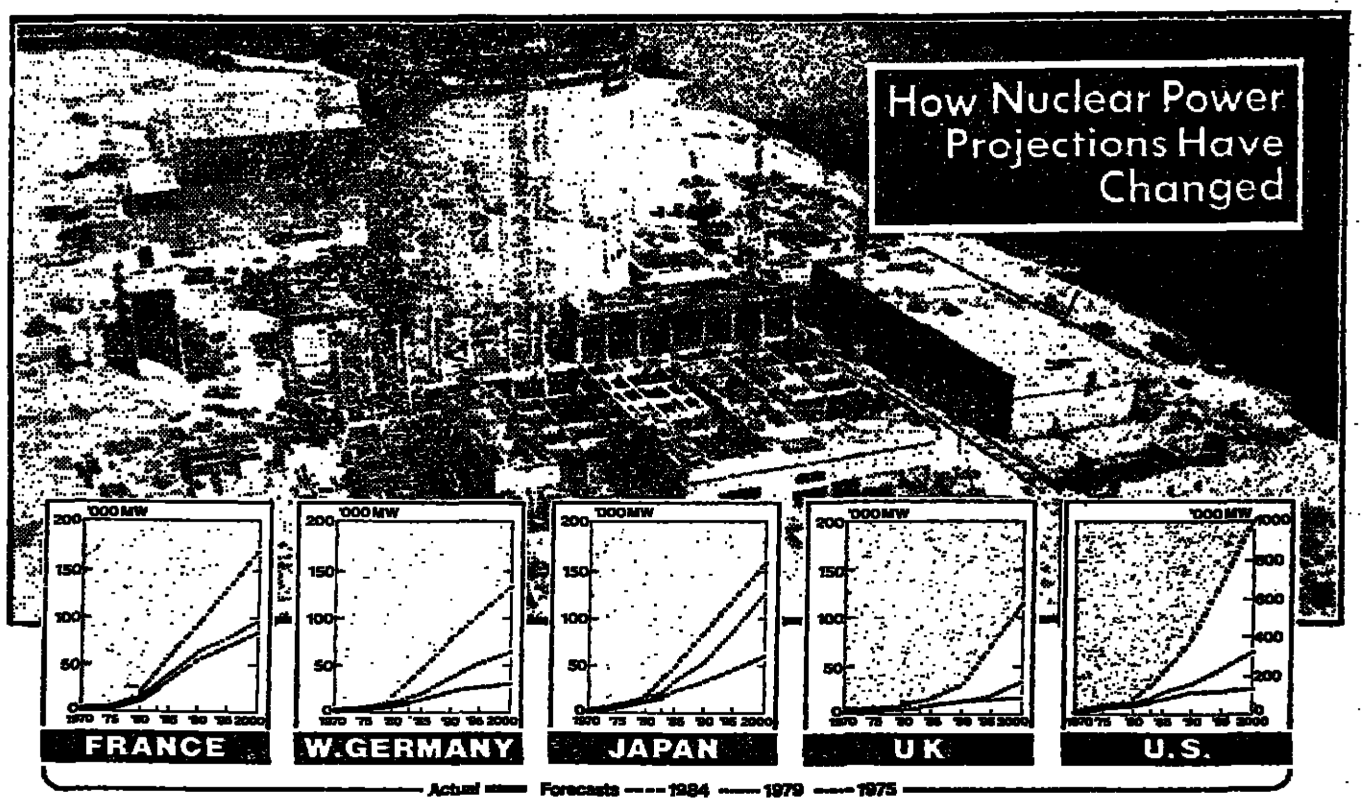
Despite these reservations, the Governor's speech yesterday deserved at least two cheers. For one thing, the new committee is well qualified to provide part of the framework urgently needed for the new system of regulation. It is going to act quickly—there is a time limit of three months on its deliberations—and its members are unlikely to be intimidated by their terms of reference. They include a cross-section of establishment and entrepreneurial figures, as well as at least one Cassandra. So the committee will not be short of radical ideas and its advice will be widely accepted. This is presumably why the Council for the Securities Industry was not invited to do the job.

The second cheer is earned by the elegant but firm manner in which the Bank is leading a divided Stock Exchange towards a workable system of securities trading. For the equity market, its present thinking seems to be that it would not be wise to attempt to graft the New York specialist system on to Throgmorton Street. It wants full disclosure of the size of deals and the price at which they have been transacted. It recognises the possibility that two or more different trading systems may need to co-exist, and that there will always be a need for the member firm which does agency business only. Finally, the bank is convinced that the doors of the Stock Exchange will have to be opened to accommodate potential market makers in both gilts and equities who are not at present able to participate. All this seems eminently sensible.

NUCLEAR POWER

France gambles on the 1990s

By David Marsh in Paris



"WEIGHED DOWN by a disproportionate nuclear programme, heavily indebted abroad, embarked on a disastrous commercial policy, Electricite de France (EdF) (the state electricity utility) is fleeing headlong down a cul-de-sac."—French anti-nuclear science magazine, Science et Vie, February 1984.

"The nuclear programme is profitable enough to support our debt charges without difficulty. It allows considerable savings in fuel imports and foreign currency. It offers French industry cheaper electricity than in neighbouring competitor countries. Is it better to face eternal dependence on abroad or to decide, temporarily, to go into debt?"—M Marcel Boiteux, chairman of Electricite de France, March 1984.

"Renounce nuclear energy? That leads inevitably to penury."—M Andre Giraud, then head of Commissariat a l'Energy Atomique (CEA), the French nuclear energy commission, April 1977.

The dilemma facing the French Government's energy planners is that the questions posed by the huge build-up of French nuclear power will not be fully answered until long after President Francois Mitterrand's current term of office is completed in 1988.

By maintaining the broad thrust of its nuclear programme at a time when falling energy demand, increased costs, safety worries and ecologist movements have severely hit atomic power development in other countries, France has dramatically increased the scale of the rewards at stake—and the possible pitfalls.

The undoubted technological success of the nuclear programme, together with efforts throughout the economy to switch energy consumption away from oil, has already brought a halving in the volume of France's oil imports in over the last 10 years. The saving in terms of barrels imported is almost as large as the reduction in Britain's oil imports as a result of its North Sea build-up over the same period.

As the nuclear plants on which work started during the 1970s come on stream during the next few years, France aims not only to reduce in cash terms its energy import bill (which jumped from FFr 17bn in 1973 to FFr 170bn in 1983). Additionally, EdF believes France's relatively low nuclear plant construction costs will allow it to make cuts in real terms in electricity tariffs (already the cheapest in the EEC) and build up a technological lead on export markets.

The problem, however, is that nuclear generating capacity may be growing too fast. Unless EdF succeeds in its campaign to force the French economy to consume a great deal more electricity, France in the 1990s could be left with a battery of nuclear plants well in excess of its needs.

M Mitterrand came to power in 1981 as the Socialist politician who had signed a petition (in 1979 after the Three Mile Island accident in the U.S.) calling for an end to the "all nuclear" policy adopted by the previous government.

After an initial freeze on nuclear plant orders, the Socialist Government three years on is presiding over an unparalleled expansion of nuclear capacity. France is building up commercial expertise in uranium enrichment and used fuel reprocessing. And it is pressing ahead with plans to develop the controversial second generation nuclear technology, the plutonium burning fast breeder reactor.

The ordering rate for new nuclear plants has been slowed from the breakneck pace of four to six a year launched under the Giscard government to two each for 1983 and 1984 and probably one for next year.

But building of the mass of nuclear stations where work was already underway has gone ahead without interference. More than 30 plants are under construction, previewed or nearly operational—including six plants of total capacity 6,000 MW planned to come on stream during the rest of this year—to add to the present operational network of 33 plants with a capacity of 25,000 MW.

Although work on some sites has been extended by a year or so, France has experienced none of the authorisation hold-ups and cost overruns which have severely delayed nuclear plans around Europe and brought some U.S. utilities to the edge of bankruptcy. The result is that, in spite of a huge rise in EdF's debt charges, French atomic power is relatively cheap.

EdF reckons that its nuclear generating costs are around 30 per cent less than in coal stations and half as much as in oil-fired plants. With 48 per cent of its electricity produced in nuclear plants last year (planned to rise to 75 per cent by 1990), French electricity tariffs are about 20 per cent below prices in the UK, the Netherlands and Belgium, 30 per cent below Germany and 35 per cent below the U.S. and Italy, according to a survey this month from UK-based National Utility Services.

The cost advantage is especially marked for industrial consumers, where French companies with heavy annual consumption are charged 30 per cent less than in the UK.

Pechiney, the state-owned metals group, last year concluded a hard-won accord with EdF, under which it is effectively taking a financial stake in a nuclear plant to give it cheaper electricity supplies.

Elf-Aquitaine, the state-controlled oil group, is trying to negotiate a similar deal to reduce chlorine production costs.

With EdF's nuclear plant spending running at around FFr 21bn a year (although planned to tail off in coming years), by the end of last year it had built up debts of FFr 189bn (44 per cent in foreign currencies). Interest and principal payments, swollen by the rise of the dollar, came to FFr 26bn—around 26 per cent of sales.

But the sheer economies of scale associated with production-line plant building, standardisation of components and—crucially—lack of time-consuming authorisation procedures, have brought down French nuclear station construction costs to around 30 per cent less than in West Germany, for instance, according to EdF estimates.

The attractions of cheaper prices and enhanced energy security have not been the only factors encouraging the Socialists to maintain France's nuclear momentum.

A powerful lobby of interests ranging from big state-controlled groups like Alsthom Atlantique to the Communist-led CGT trade union lines up in favour of nuclear power to protect about 112,000 direct jobs in the N-plant construction sector.

Of equal importance is the Government's desire to protect the viability of the billions of francs ploughed into uranium enrichment, reprocessing and fast breeder development.

A key condition for these technologies' commercial success is that they should be integrated into a large-scale "park" of first generation nuclear plants. With the decisions to build a commercial uranium enrichment plant at Tricastin, the reprocessing complex at La Hague and the world's first commercial fast breeder at Creys Malville already made in the 1970s, the Government has been effectively locked into a pre-set timetable for continuing the nuclear build-up.

But to make a hardly-reduced nuclear programme fit into the overall outlook for much lower energy demand, France is having to force some deep-seated structural changes in energy consumption.

The Government is now predicting total primary energy consumption in 1990, even on the basis of relatively optimistic economic growth assumptions, of 200m tonnes of oil equivalent. This is a sharp drop from the 230m tonnes forecast in 1981 (when the Government was rosily assuming annual economic growth rates of 5 per cent) and the 240m tonnes projected under the Giscard regime.

As a crucial part of the plan to push lower forecasts for electricity demand in the direction of the projected large increase in nuclear power supply, EdF last July was authorised to start a massive campaign to boost electricity use throughout the country.

The plan, implying much lower recourse to coal and gas supplies than earlier anticipated, represents a considerable about-turn from the Socialists' early commitments to boost energy savings and increase domestic coal production. EdF is spending FFr 1bn this year in promotions and incentive measures in a drive to increase electricity consumption in 1990 by an extra 50bn kWh over the "trend" forecast of 340bn kWh (compared with 283bn kWh in 1983).

EdF also hopes to continue expansion of electricity exports to neighbouring countries (including Britain).

But even if its aims are fulfilled, EdF by 1990 will be operating its nuclear plants at well below maximum efficiency. On the basis of EdF's optimistic hypothesis that total demand (including exports) could be around 400 kWh by 1990, the nuclear "park" will be operating at about 60 per cent of capacity, compared with present rates of around 70 per cent in Japan and West Germany.

And using a more realistic estimate of 350bn kWh for 1990 consumption, capacity use would drop to 53 per cent. EdF's planners dream that the ultimate way of bridging the capacity gap would be to offer countries like West Germany or Britain participation in a French N-plant and "pipe" the electricity across the border or under the Channel

THE BIG PUSH TOWARDS INDEPENDENCE

THE STEADY progress of the nuclear programme has enabled France to leap to the forefront of international atomic power. As the chart shows, France is the only main western country bringing nuclear plants on stream at anything like the rate predicted only five years ago.

After long drawn-out squabbles in the 1960s over the choice of French or American reactor design for commercial N-plants, France decided in 1969—after the departure of President de Gaulle—to opt for the PWR, using technology acquired under licence from Westinghouse of the U.S.

In little over a decade, Framatome, the French reactor company owned jointly by Creusot Loire and CEA, has grown towards independence, with the first "all French" PWR now in an early stage of construction. Westinghouse's residual stake in the company was sold in 1982 and the licensing accord has expired, although Framatome still pays patent fees. It has completed or is carrying out orders for about 60 N-plants (including seven abroad — in South Africa, Korea and Belgium), and has high hopes of export contracts over the next few years from countries like China, Pakistan and Egypt.

At the same time, France has pressed ahead with building a fully-integrated and internationally active industry handling all parts of the nuclear fuel cycle. M Andre Giraud (later to become Industry Minister under President Giscard) set the CEA the objective in 1970 of taking on the world's established nuclear companies by becoming "the Shell of the atom."

Cogema, the CEA subsidiary which runs France's uranium mining, enrichment and reprocessing activities, last year forced cuts in U.S. Energy Department enrichment prices through aggressive bidding for contracts.

The lion's share of Cogema's FFr 5bn 1984 investment programme is funded from advance payments from foreign utilities largely in connection with fuel reprocessing contracts.

Men and Matters

Fraser rubs in the message

Sir Campbell Fraser, retiring president of the Confederation of British Industry, did not mince his words at the confederation dinner in London last night when reviewing the European Economic Community: "It has lost its way. . . . The Community is not making use of its potential . . . the common market for manufacturing is still imperfect . . . the common market for services is clearly inadequate."

After that blast what was there left to say? Fraser was equal to the occasion—some might say more than equal. He turned his sights towards next month's meeting of the heads of government in London. The message British industry would wish Mrs Thatcher to carry to them, he said, would be "Reduce interest rates from their present high levels, halt protectionism and reverse it by dismantling trade barriers, promote economic recovery."

Rushing on with his speech before anyone could challenge those bold assertions—not least Nigel Lawson, Chancellor of the Exchequer, who was a guest—Fraser explained, "If any head of government thinks that the words sound familiar, that should come as no surprise. They were used in their communique at Williamsburg last year!"

Jumbo bank job

An unusual appointment in the banking world has been made by the World Bank in Washington.

John Seidensticker has been made the bank's advisor on elephants.

Seidensticker is well qualified for the job, although he could find himself short on experience in more basic banking. He is a wildlife ecologist with the National Zoo in Washington.

The World Bank explains the appointment saying that already 13 projects assisted by the bank in African and Asian countries have had what it calls "elephant implications."

The difficulty is that in areas where elephant herds are allowed to roam freely bank-backed projects to increase agricultural output or develop forestry resources often end up as a free lunch for the elephants.

Seidensticker appears to be a man able to take his unusual banking role like—well—like an elephant to water. Already he has written a technical paper for the bank called "Managing Elephant Depredation in Agricultural and Forestry Projects," thus disclosing a jumbo prose style.

High cards

While ordinary mortals have to struggle along with cheque guarantee cards specifying a £50 limit, clients of the London-based United Bank of Kuwait will have no problems about finding themselves short of the ready.

The bank has just launched a £5,000 cheque guarantee card.

Not everyone will qualify, of course. Ralph Hulpert, who heads the bank's West End operations, tells me that prospective holders will have to be known to the bank. And they will be expected to make a large deposit.

The card will be of the high security type with the holder's photograph set into it.

Serene links

In this turbulent world it is pleasant to report an international friendship, indeed a political axis, between the Liechtensteiners, tucked away in the Alps, and the Costa Ricons, amid the forests and volcanoes of Central America.

At the beginning of June it will be strengthened further by the state visit of President Luis Alberto Monje of Costa Rica to His Serene Highness Prince Franz-Joseph.

The portly social democrat Monje will be giving thanks for the foreign aid effort that Liechtenstein has devoted to Costa Rica, where it has financed a chain of 12 radio stations to help with a national literacy programme.

The programme has high princely patronage. Princess Nora, consort of Liechtenstein's ruler, is patron of the radios—and her son Prince Philip takes a hand in the management of the project. "As a small, stable, and democratic country we wanted to find a similar country in Latin America to assist," says a palace spokesman in Vaduz, Liechenstein's capital.

The link was the brainchild of Gaupp von Berghausen, an Austrian with Liechenstein connections, who lived in San Jose, capital of Costa Rica, and who got the project off the ground seven years ago. He is now retired in Vaduz where he holds diplomatic rank as the Costa Rican consul.

My palace informant is unwilling to comment upon the workload of a Costa Rican consul in Liechtenstein, apart from saying "I know he'll be running around next month."

Lest President Reagan fears more European meddling in the affairs of the war-torn backyard of the U.S., let me point out that neither Liechtenstein nor Costa Rica have an army.

Flying Imperial

Current moves by the British Government to bring down European air fares to something below piratical levels struck a chord when I was sent a 1926 brochure of Imperial Airways services between Croydon Aerodrome and the Continent.

The return fare between London and Paris was £11 11shillings that season—including a cabin trunk of luggage.

And how reassuring the airlines were in those pioneer days.

"All pilots have brilliant records and long flying experience." and, "Each machine carries a highly trained and certified mechanic."

Passenger comfort was given high priority. "The passenger cabin is totally enclosed but well ventilated. And windows can be opened . . ." "Luncheon baskets can be provided on embarkation if ordered."

Tour de France

The D-Day celebration industry is moving into top gear. Townsend Thoresen has launched a series of mini-trips to the batle zone.

For £14.50 upwards you get the ferry trip plus a three-hour tour. For £25 you get a much more extensive visit.

But for £26-and upwards, you travel overnight on the ferry, and spend much of the next 12 hours whizzing to the invasion beaches, Pegasus, Gold, Sword, Juno, and Arromanches, together with side trips to Honfleur and Bayeaux, before collapsing back on board.

That package is called The Longest Day.

Observer

ECONOMIC VIEWPOINT

Problems of last resort lenders

By Samuel Brittan

MEMBERS of the Open Market Committee of the U.S. Federal Reserve faced an unenviable choice this week. Most of the indicators of the domestic economy point towards continued tightness and rising interest rates. Otherwise there is a danger of throwing away all the painful gains of earlier years and allowing inflation to take off once more and thereby destroying all vestiges of Fed credibility and independence.

On the other hand, the troubles of Continental Illinois have led the Fed to perform its other most important role, that of "lender of last resort." As Walter Bagehot, who was the author of the "last resort" doctrine remarked in *Lombard Street*, "Whatever bank or banks keep the ultimate banking reserve of the country must lend that reserve most freely in time of apprehension, for that is one of the characteristic uses of the bank reserve, and the mode in which it attains one of the main ends for which it is kept."

Accordingly, the Fed opened its discount window and gave assurances that it would lend freely to arrest any threat to the eighth largest bank in the U.S. When the dust has cleared we will know more precisely

One cannot rule out the possibility of solvency crises

the exact problems facing Continental. But the immediate situation faced by Continental was again one characterised by Bagehot: "Every banker knows that if he has to *prove* that he is worthy of credit, however good may be his arguments, in fact his credit is gone."

The apparent conflict between counter-inflation and "lender of last resort" arises because the latter operation works through pumping reserves, in the shape of deposits with the Fed, into the banking system. In U.S. jargon, it amounts to an injection of "base" or "high powered" money. But the fundamental conflict goes deeper.

So far the Fed has had to deal only with the liquidity problems of a major bank. But one cannot rule out the possibility of solvency crises on some future occasion. These arise when the amount of bad debts which have to be written off exceed the equity capital of the bank in question and there could be several of those. In that case, the injection of permanent new capital by other banks, the central bank, or even in the last resort national governments might be necessary.

The argument is that the monetary system is a form of social capital, like law and language, and cannot be allowed to disintegrate because of the troubles of particular organisations. These are grounds, of course, for protecting depositors beyond the insurance limit, not for bailing out bank managements or shareholders.

There is in fact no necessary conflict between lender of last resort operations as such and sound money. The conflict is rather between sound money and the policies the Fed might be tempted to follow to reduce the chances of its having to undertake lender of last resort functions on a heroic scale.

Such functions have not been required on other than a modest scale since the collapse of the Creditanstalt in Austria and of the major U.S. bank crashes in the early 1930s—a test which the Fed and some other central banks originally failed to meet. The fact that Bagehot, who wrote in 1873, is the most up-to-date theoretical guide on some policy makers' desks tells its own story.

A rise in "high powered" or "base" money (cash plus bank deposits at the Fed) is not inflationary if there is a large increase in public or bank demand for liquid assets. Between 1929 and 1933 the stock of high-powered money in the U.S. rose but the money supply itself (cash plus bank deposits) fell catastrophically. So during a run on a bank, the central bank can safely pump in as much liquidity as necessary to preserve the banking system, so long as these funds are promptly withdrawn when the crisis is over and the demand for highly liquid assets returns to normal.

Even a large expansion of the money stock itself need not be inflationary in a deep depression when the velocity of circulation falls sharply. It fell for instance by 35 per cent between 1929 and 1932. Again

Walter Bagehot and the Continental Illinois building.

the proviso is that the money is retired quickly when velocity returns to normal.

At this point, however, we must remind ourselves that the U.S. is not in a recession but is in a strong boom, which is straining in places against the limits of productive capacity. It is, moreover, a boom accompanied by a large Federal deficit and increasingly inflationary expectations. The very rapid real growth rate recorded in the first quarter has been revised upwards to an annualised 8.8 per cent and another bumper growth rate is now expected in the second. The problem is not to cure a depression, but to prevent a boom from turning into a bust.

According to Henry Kaufman, the most closely watched U.S. monetary aggregate, M1, is likely to be near the top end of its target range by the end of the month, M2 at the mid-point and M3 and the credit aggregates well above the top end. Thus there is no domestic demand management reason whatever for holding interest rates down. Quite the reverse.

Or, as one close observer said to me this week: "We will not make the same mistakes as in the 1930s, but different ones. We won't have a deflationary depression, but an inflationary one—although what that means I have still to work out."

Because of the floating rate nature of most ldc and much business debt, inflation will not even be a good expedient for dealing with the debt problem. Any reduction in short-term interest rates purchased by inflation will be very temporary in duration. For once inflationary expectations take hold in a major way, even short-term rates tend to rise. Interest rates are 4 per cent in Switzerland and 16 per cent in Italy mainly because of differences in inflationary expectations.

It is by now a platitude to say that the only satisfactory way to ease the conflict between counter-inflationary policy and the undesirable effects of high interest rates is by slashing the U.S. Budget deficit. Even that may not be enough in view of financial deregulation which has pushed up market rates independently. A successful attack on high nominal interest rates would now need not only tax increases and spending cuts, but a withdrawal of interest relief for many categories of borrowers now tax-exempt; and some international co-operation in phasing out tax concessions would be helpful.

A formula gaining currency in the U.S. is "One-one-one." This means that Budget economies should be divided equally between cuts in military spending, cuts in civilian spending and increases in taxes. The down payment now going through Congress is likely to do very little in the fiscal year beginning this autumn, but could cut the deficit by 1 per cent of GNP three years from now.

Some people hope that another such batch of measures in 1985 will finally do the trick. But I rather doubt it. Once a budget has got so far out of control as the U.S. one, gradualist correction is rarely possible; and if the Administration and Congress really get the wind up we may see drastic European-type budget cuts which will have to be made irrespective of whether the U.S. is boom or slump at the time.

On the other hand, the budgetary correction will not come about through any amount of foreign lecturing; and it serves limited purposes for European leaders to pound the table on the subject. The deficit will be reduced when the unpopularity of high interest rates, an uncompetitive overseas sector and the perceived adverse implications for ldc debt and banking stability exceed the unpopularity of spending cuts and tax increases. The crossover point could occur even before the November presidential election, but prophecy on dates is vain.

The more urgent task is to regain freedom for U.S. monetary policy, by limiting the backwash effect of domestic interest rate policy on the ldcs. Many central bankers favour an interest rate "cap," whereby interest rate increases would be added to the principal, the repayment period extended, and annual payments stay level as in the case of UK building society mortgages. But in view of the lack of leadership on the issue from Western governments, it may be no bad thing if the initiative does pass for instance, to the more moderate Latin American Governments. If these impose a ceiling on annual interest payments, but without default, at least the banks will know where they are. They may no longer be able to continue the fiction of counting their ldc loans at face value; but they will be known to have *some* value and a market could develop in ldc loans.

Such a market could facilitate a suggestion of Prof Michael Lipton's that last resort lending to banks should take the form not merely of short-term loans and discounts, but purchase of sovereign debt at a discount, thus fulfilling Bagehot's original idea of lending on good collateral on onerous terms (the penalty being the discount on the face value of the loan).

I am optimistic enough to believe that there are enough common interests in lender and borrower countries to avoid an international monetary collapse and even to allow economic recovery to continue. But I do not expect to see a "soft landing." In particular because of the practical difficulty of last resort lending and the lack of development of the theory since

Freedom must be regained for U.S. monetary policy

Bagehot, I would expect the Fed to be more hesitant about letting interest rates rise than it would have been without the latest banking problems. The U.S. is likely to emerge with an inflation rate above its recent past, and above that of the sound money countries of Europe — West Germany, Switzerland, Austria, the Netherlands and Britain—most of which have nominal interest rates well below American ones.

Whether European countries, which may combine sound money with political and social self-doubt, fossilised labour market institutions, and an ingrained pessimism about the future, are in a position to assume the responsibilities of a hard currency bloc is another matter.

Lombard

The succession to Mr Prior

By Malcolm Rutherford

SHORTLY before she became Prime Minister, Mrs Thatcher said in a famous interview with *The Observer*: "There are two ways of making a Cabinet. One way is to have in it people who represent all the different viewpoints within the party, within the broad philosophy. The other way is to have in it only the people who want to go in the direction in which every instinct tells me we have to go. . . . As Prime Minister I couldn't waste time having any internal arguments."

Her first Cabinet belied her. It was almost the team inherited from Mr Heath. Yet one by one, or head by head, she got her way: St John-Stevas, Gilmour, Soames, Carrington, and Pym have all gone. Now there is Mr Prior.

He has always been a special case. He only seems "wet" because he is so thoroughly amiable. As a member of the Heath administration of the early 1970s he was one of the first political proponents of the virtues of the newly discovered monetarism. His differences with Mrs Thatcher have been of temperament and style, not policy. They just don't get on.

Sympathy

This week ought to have brought the parting of the ways. Mr Prior has said publicly what he has been saying for some months in private: namely that he has been Secretary of State for Northern Ireland long enough and the time has come for him to resign or be sacked.

He deserves some sympathy. The task is physically exhausting, frightening and he did not much want it in the first place. He has done it very well, under the circumstances. Yet Mrs Thatcher should accept the opportunity offered and remove him as soon as possible.

There is no prospect whatsoever of an Irish settlement unless the Prime Minister places her full personal authority behind the search for it. The report of the New Ireland Forum earlier this month offers the possibility of an opening in that the constitutional nationalist parties in Ireland have admitted that hopes of Irish unity must be deferred.

Mr Prior knows that. Mrs Thatcher must be aware of it. Yet what everyone involved also knows is that the chances of the pair of them working harmoniously together over the long haul are remote, even if the Prime Minister does decide to put the Irish question high on the political agenda.

Mr Prior made another telling point. It would be entirely understandable, he said, if Mrs Thatcher wanted to bring in a "fresh mind." Anyone who has done nearly three years in that job, as Mr Prior has, is bound to be jaded.

History

There is only one serious candidate: Mr Michael Heseltine, the Secretary of State for Defence. He has a flair for dealing with desperate situations: witness his approach to Merseyside after the Toxteth riots. It is said that he does not read, but he has a remarkable ability to absorb information and to take the history into account. He gave an outstanding lecture to the International Institute for Strategic Studies the other day on "Russia in Perspective," Peter the Great and all. Ireland, too, has a history that needs grasping.

Mrs Thatcher could appoint him to Stormont quite easily without much disturbing the balance of her Cabinet. He could be succeeded at Defence by Mr Peter Walker, the Secretary of State for Energy, who would have liked the job in the first place. Mr Walker is a "wet" on economic policy, but a hawk on defence. He is at least the equal of Mr Heseltine in administration.

Any one of a crop of promising junior ministers could then take over at Energy: Mr Kenneth Clarke, Mr Norman Lamont or Mr John Moore, for example. The questions remain whether Mrs Thatcher wants to take Ireland seriously and whether she can bring herself to remove Mr Prior, even when he has virtually offered to go. Not the most decisive Prime Minister.

Letters to the Editor

Dealing with the debt crisis

From the Managing Director, IBCA Banking Analysis

Sir,—Although Continental Illinois was a troubled bank, it appears its capital ratios were adequate, but it was unable to deal with a progressive lack of confidence on the part of the depositors. The collapse of such a major bank must add to the concern that, with short-term interest rates currently rising, confidence in the world's banking system and its ability to deal with less developed countries' debt might erode in a similar way.

In recent weeks you have published a number of articles and letters on how the problem might be solved including Nicholas Colchester's idea of IMF support and David Potter's letter suggesting a unilateral reduction in interest rates. Nicholas Colchester's suggestion would certainly be of benefit to both borrowers and, in the longer term, to lenders, and in a logical world would be swiftly adopted. David Potter's idea is harder to grasp but is clearly motivated by the desire for lower interest rates which are, indeed, crucial.

Unfortunately, I believe there is very little likelihood these or any other schemes will be adopted, unless the situation gets considerably more serious. The commercial banks have little sympathy for suggestions of interest capping, or any similar plans presently being aired, as these would involve them with immediate losses and no clear long-term benefit. The government agencies and international institutions, who are far better placed than banks to come up with a solution, have not got the political authority to decide where aid should be given and who should absorb the losses associated with such aid. There is the possibility that conditions may improve but if they do not the fear is that we shall have to wait until the crisis worsens to the point where seeking a solution becomes unavoidable.

Robin Monro-Davies.
2, Eldon Street, EC2.

House of Fraser and Lonrho

From Mr P. Spicer

Sir,—You state (May 21) that the House of Fraser board is anxious to receive the Department of Trade and Industry Report on the investigation being conducted by John Griffiths QC into possible concert buying of Fraser shares. *We would like to point out that* prior to putting the resolutions to the House of Fraser board, Lonrho received an assurance from Mr Griffiths that it was absolutely no part of his function whatever to influence in any way any action that shareholders want to take, i.e. putting down resolutions, voting, or anything else. He undertook to tell both House of Fraser and Lonrho the same thing.

The reason for our writing to you is that your paragraph, when read as a whole, rather tends to suggest that the issue of the Griffiths report is being prejudged.

In the same article you make the statement that Lonrho is attempting to pack the Board of House of Fraser with directors who represent Lonrho's interests. This is also an inadequate statement. Only six of the proposed directors out of a proposed board of 25 represent Lonrho's interests. To suggest otherwise would be insulting to the people in question who have an independent standing either with the companies they now serve, or in their particular area of commercial expertise.

Paul Spicer,
Lonrho,
138, Cheapside, EC2.

The City heliport

From the Chairman, Weetabix

Sir,—To close the City heliport now that it has become a way of life for so many large corporations and private individuals who have to maintain direct links to the City of London would be tragic.

Our company headquarters are located in Burton Latimer, 85 miles from the City centre, and barring motorway or urban holdups, one can travel from headquarters to—say—Stamford Street in between 2 and 2½ hours. The same journey by helicopter via the City heliport takes 45 minutes door to door. Thus it is possible to fly in, attend a meeting and fly back to headquarters in the time it takes to drive to the meeting. This would not be the case if the only heliport was at Battersea, which can be a good half-hour drive from the City, or equally if the pad was relocated in a "relatively remote" spot.

Richard W. George.
Weetabix Mills,
Burton Latimer,
Kettering,
Northants.

Change on the Exchange

From Mr H. Norris

Sir,—It is interesting to read of the concern of Stock Exchange members as to the possibility of brokers becoming principals in deals. There must be many laymen and modest investors like myself who are perplexed and indeed apprehensive about this strange threatened development. I have always felt the British system to be superior to others in that the broker is one's agent acting in one's interests—it is common to tell him to do the best he can, and rely on this. Once he deals in his own right the whole relationship changes.

I can well understand the City's worries about the impact on different firms — perhaps especially the smaller ones and the provincial firms—but my concern is as an employer of brokers. What on earth is prompting this change? It has no discoverable relationship to flexibility in commission rates. No wonder the chairman is having a rough ride in putting the idea over. We members of the public do not appear to have been given any reasons whatever.

H. Norris,
The Reform Club,
Pall Mall, SW1.

Staying on stream

From Mr J. Talbot

Sir,—Many years ago walking down Old Broad Street with Horace Noble, I suggested to him that if ever Datastream got too big for Hoare Govett I and my colleagues would be delighted to help them out. We kept in touch on this basis for a year or two until the time came early in 1976. By now in Touche Remnant we were joined by a technical partner in the shape of Data-Solve, a subsidiary of British Oxygen and then went ahead with Lazards in putting together a group of like-minded British investors.

From those very early conversations it was always the intention to keep the ownership in British hands, so that the City of London & Charlotte Squares' in depth financial analysis should be provided by a British organisation whose inventive genius in this area was and is unique and unsurpassed.

I very much hope that the offer document will reveal that, in addition to taking their money (which may well not represent the enormous value of Datastream's data banks), the present institution shareholders have arranged that the company's many services cannot be switched off at the whim of an overseas company or its creditors operating out of New York.

J. R. Talbot.
Church Farm House,
Barton Stacey,
Winchester, Hants.

Pension funds and fiscal neutrality

From Mr D. Townley

Sir,—I would like to take up the theme of recent correspondence with particular regard to Mrs Thatcher's comments in the House on May 10 relating to pension funds and fiscal neutrality.

To my mind, pension funds already experience such neutrality (tax relief on contributions and fund investments, retirement pensions being taxable) apart, that is, from the option to commute pension in exchange for a tax free cash lump sum. Clearly this option is contrary to current Government thinking.

If this supposed anomaly is to be removed, will such action apply only to pension arrangements which commence after some future date or will it apply retrospectively to affect all potential pensioners? The Prime Minister indicated that fiscal neutrality and tax reliefs can be accommodated together.

I know people who are approaching retirement and to whom utilisation of the commutation option will form an important part of their post retirement financial wellbeing. Surely the public and the pensions industry deserve early clarification of the Government's intentions?

Or it is that an alternative approach is in mind—a tax on pension fund investments? Retention of the tax free commutation option could perhaps be justified if say a 5-10 per cent rate of tax was levied on future pension fund investment income.

Must the uncertainty continue until the Chancellor's *spring 1985 Budget?*

Douglas J. Townley.
70A, Lee Lane,
Horwich,
Bolton,
Greater Manchester.

Muddled thinking in policy towards small firms

From Mr P. Wilson.

Sir,—The enterprise allowance scheme (May 8) is a good example of the muddled thinking that characterises government policy towards small firms. Introduced ostensibly to help the unemployed into an income earning activity by reducing the entry barriers associated with inadequate capital, the scheme has a number of inconsistencies.

The possibility of legitimising informal sector activity implies that such activity remains submerged because of high entry barriers. This is faulty logic. The informal sector survives because of low overheads. There is a clear economic calculus behind the decision to remain informal and no amount of short-*term financial* incentive will prise the sensible underground entrepreneur from his advantageous cost position.

Another salient feature of informal sector activity is that it is often the preferred modus operandi for non-economic reasons. Either the activity would not survive in the formal sector (for legal or moral *reasons*) or the entrepreneur himself would not (for behavioural reasons).

The net effect of trying to formalise underground activities is limited to those people who feel that the taxed allowance outweighs any financial gain derived from being underground. Bearing in mind the small sum involved, the numbers must be small indeed which further suggests that any widening of the fiscal base would also be minimal.

Suppose that the largest number of starts under the scheme is in new activity (not previously underground). This is where the real benefit lies. Suppose further that of 30,000 births generated by the scheme (the target), 25,000 are new activities. This represents an increase in new firm formation of some 20 per cent pa, based on VAT registration statistics.

Although there has been a steady increase in new firm formation in recent years, it is inconceivable that government intervention could generate so much permanent new economic activity. The market would simply not allow it. The only likely outcomes are an unacceptable increase in the failure rate of these starters or substantial displacement of output and jobs elsewhere. In either case the social consequences are dire.

Yet there is merit in helping the disadvantaged into business, particularly where viable projects need to overcome initial capital shortages. The solution lies not in making more allowances available, but in *improving* the quality of the recipients through careful selection and training.

Peter Wilson.
243a, Coldharbour Lane, SW9.

FINANCIAL TIMES

Thursday May 24 1984

Jimmy Burns in Buenos Aires examines Argentina's deepening political dilemma

Alfonsin's dangerous balancing act

EVER SINCE the armed forces first overturned a democratically-elected government in Argentina in 1930, the failure of the civilian politicians to agree has contributed as much to the continued instability in the country as the ambitions of the military.

President Raul Alfonsin's resounding election victory last year has not insulated him from political disruption. In the five months since he took office, the pace and effectiveness of his Government has been eroded by the tactics of the opposition Peronist Party, which has filibustered in the upper house of Parliament, where it has a majority, and mobilised the trade unions, where it has retained its dominance.

Aiming to reverse this situation, Sr Alfonsin earlier this week started his search for a national consensus in talks with the Peronist leader, Sra Maria Estela Peron, a search speeded up by the pressure of events.

An annual inflation rate over 500 per cent and the May 31 deadline by which the U.S. expects Argentina to reach agreement with the International Monetary Fund (IMF) on rescheduling its $43.6bn foreign debt convey a sense of urgency. The Government also believes that it can make no further concessions on the Beagle Channel or the Falkland Islands disputes without ensuring broad national approval. The upper house is constitutionally empowered to block any major initiative on foreign policy.

The Government has shifted away from strictly political issues such as human rights and military reform for the moment, partly because it believes that it moved with sufficient speed at the beginning and that to go further at this stage could unnecessarily provoke the wrath of the armed forces.

It is optimistic that the public's perception that some agreement with the Peronists is being worked on will help to reverse a sense of drift. However, as some officials admit privately there are still hurdles ahead.

Sra Peron has yet to prove that she has the necessary political acumen and strength to control the heterogeneous make-up of her party. Both qualities were clearly lacking during her short-lived presidency between 1974 and 1976 when a virtual civil war between her party's opposing extremes was used as an excuse for military intervention.

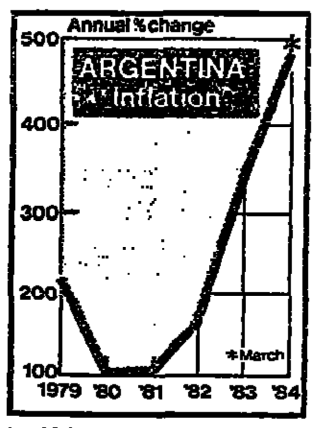
Within 48 hours of her arrival this week she had managed to test the loyalties of her party's national council by visibly surrounding herself with a clique of close friends during the first stage of talks with Sr Alfonsin.

The fact that she has yet to confirm whether she wishes to continue to lead her party from Spain or take up residence in Argentina has not helped to dispel the power struggle building up around her.

The talks are likely to lead to a series of trade-offs to balance the need to preserve democracy through social peace with a dose of economic pragmatism.

The risk is that a series of half measures could extinguish much of the spark and resolve of Sr Alfonsin's Government. Most officials believe the risk is worth taking for the sake of survival.

The main trade-off is likely to be on union reform. Sr Alfonsin has dropped his insistence that union elections should be supervised by government officials and that independent non-aligned minorities should be guaranteed positions on all branch committees.



Instead, union elections are to be conducted within the next 90 days according to the statutes and during the last Peronist government. The Government is insisting only that there should be an independent magistrate present on the day of the poll to prevent fraud.

The elections are likely to confirm the monopoly of labour exercised by the main trade union organisation, the General Confederation of Labour, which is intimately linked with the Peronist Party. Sr Alfonsin is thus hoping to ensure a measure of stability on the shop floor and greater co-operation in parliament from the main opposition party.

In addition to this compromise formula the main trade union organisation, the General Confederation of Labour, will be given back a large part of its control of welfare services, a tradition broken by the military regime and offered greater participation in the formulation of economic policy.

The Government has promised an overhaul of salary structures, the cost of living index, and a reform of the financial and taxation system as a way of promoting social justice in return for increased productivity.

Looming in the background is the May deadline. Only when agreement is reached with the International Monetary Fund will the U.S. Treasury reimburse Brazil, Colombia, Mexico and Venezuela for the $300m that they loaned to Argentina as part of last March's rescue package.

THE LEX COLUMN

Strong stuff from Bass

The Chancellor's prediction that almost the whole of the 1984/5 PSBR would be concentrated in the first half of the year will probably be viewed with some scepticism by the gilt-edged market after all the recent disappointments on that front. Meanwhile, the doublespeak award of the week will undoubtedly go to the Governor of the Bank of England, who managed simultaneously to eulogise the achievements of the CSI and announce the establishment of a body to do precisely the job for which the CSI was created.

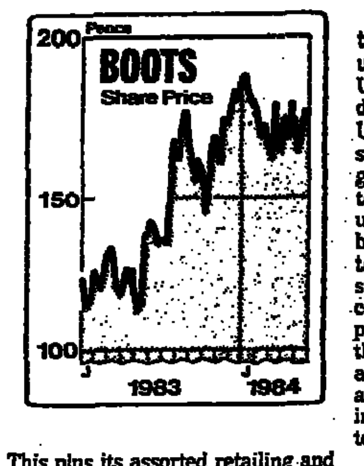
Bass

It is positively sobering to contemplate how much money the big brewers must have been pouring down their sluices before all the rationalisation of recent years, to judge from the profits now on parade in the sector. How else to reconcile yesterday's 35 per cent jump in pre-tax earnings at Bass, for example, with the industry's acknowledged ex-growth status? Admittedly, Bass has clearly exceeded the 1.4 per cent production volume growth recorded by the brewing industry as a whole over the half-year to March; but its revenue gains are still the modest affair expected of a mature industry. Today's booming profits, in fact, look no more nor less than the pay-off on enormous strides in production efficiency – widely forecast by the stock market in 1982 but largely forgotten in the face of last year's disappointing beer consumption trends.

Particularly impressive in Bass's case is that pre-tax profits of £84.4m have apparently had to accommodate another heavy bill for closures and redundancies. The contribution made by property disposal profits at £5.7m has similarly marked no change on 1982/3, nor has Bass benefited much as yet from any of its newly acquired subsidiaries.

Lower brewing unit costs are not, however, the whole story. Bass has again enjoyed its share of lager's onward march, most notably with its Tennent's brand. Lager now accounts for 44 per cent of beer sales. More important to the group's City image, the pre-property profits of the leisure businesses are up from £4.7m to £8.5m on the back of better provincial hotel occupancy rates and higher cash margins than might have been expected six months ago.

Bass is still spending lavishly on its pub refurbishment programme.



This plus its assorted retailing and hotel interests might absorb £180m or so of this year's £224m capital budget, but the cash flow looks strong enough to cope, leaving management still with a tidy net cash position to build up the leisure side through acquisitions. The shares jumped 13p to 378p even in yesterday's gloomy market; but with £210m pre-tax now a realistic target for 1983/4, a prospective p/e multiple only just over 9 times does not look generous.

Ultramar

The stock market has never been able to make up its mind about Ultramar's Indonesian interests. While there is no doubt that the company's fortunes have been built on the bedrock of Indonesian gas-fields, these assets have consistently been treated with some caution by the market. Yesterday's news that the company was planning to enhance its exposure to the area, through a complex deal with Allied Corp and Enstar of the U.S., left the shares 22p lower at 593p.

Information about the transaction was sketchy yesterday, but for Ultramar the key to it is probably access to U.S. production acreage rather than Indonesia. Allied and Ultramar are offering $260m for 50.4 per cent of Enstar and plan to acquire the balance through the issue of paper entitling the holder to a proportion of Indonesian cash flow. These Indonesian Participating Certificates should reduce the cash cost of the transaction, dilute the companies' additional interest in Indonesia and may even encourage shareholders to tender for the cash. IPCs are no doubt very elegant instruments but they may not be viewed as a substitute for hard cash.

Enstar's U.S. assets are valued in the books at a gross net present value of $300m. Half of that would give Ultramar a solid base from which to develop exploration acreage in the U.S. Both the U.S. and the Indonesian assets should be usefully cash generative, although in the short term Ultramar will be piling up an uncomfortable debt load. In the last balance sheet, net borrowings totalled around two thirds of shareholders' funds and this year could see heavy spending on ship purchases. A final assessment of the deal must await details of the allocation of Enstar's $400m of debt and conditions of the IPC paper but, in strategic terms, Ultramar seems to be moving in the right direction.

Boots

The Boots share price has been suffering slightly from altitude sickness ever since the markets realised that pharmaceuticals were having a difficult second half. Forecasts around the City of London were reduced with considerable prescience to about £150m before property and tax, and so there was little turbulence when Boots came out with £165m (trading profits from property £16.5m).

There was indeed a marked slackening in the growth of profits from the industrial division. Enforced cuts in some prices and a bout of anticipatory destocking by UK wholesalers and rising research expenditure caused some loss of momentum, while rapidly increasing sales through Boots's U.S. company bit into royalty income from licensees.

Against this, the stores put up a slightly better showing than expected, with real sales growth of 6.5 per cent in non-prescription lines.

Boots has had a fairly unhappy time in retailing over the past five years, largely because it has failed to convert an enormous flow of shoppers into a respectable weight of transactions. However, there are signs that efforts to sharpen up the merchandising approach – and concentration on higher value items like home computers – may at last be starting to have the right sort of effect on net margins.

At 178p, actually up 2p against the run on the market yesterday, the shares are yielding 4.5 per cent, currently rather generous by the standards of stores, let alone pharmaceuticals. Yet it may need a flow of tonic news, on the lines of last week's U.S. approval for retail sale of ibuprofen, to set the price moving upwards again.

U.S. finds Japan in agreement over yen

By Alan Friedman in Rome

THE U.S. and Japan yesterday produced a draft agreement on the liberalisation of the Japanese capital market and on expanding the international role of the yen.

The agreement came in the early hours of yesterday as Mr Beryl Sprinkel, U.S. Treasury Under-Secretary, ended more than two days of negotiations in Rome with Mr Tomomitsu Oba, Japan's Vice-Minister of Finance.

The negotiations followed months of talks and significant pressure from U.S. leaders including Mr Donald Regan, the Treasury Secretary, and Mr George Bush, the Vice-President.

Today, Mr Regan in Washington and his counterpart in Tokyo, Mr Numaru Takeshita, Japan's Finance Minister, will review the draft agreement with a view to publishing the text next week if it is approved by both sides.

Among the provisions understood to be contained in the agreement are a Japanese commitment to permit an increase in the Euroyen market and an enhanced global role for the Japanese currency.

The draft also includes provision for allowing foreign banks in Tokyo more access to long-term funds; an expanded role in foreign exchange broking and bond trading and other measures which would widen foreign bank access to Japan's capital markets.

Japan is also believed to have given the U.S. delegation in Rome a commitment to further examine the repeal of its 20 per cent withholding tax on most Euroyen issues.

The agreement not only marks a significant relaxation of the Bank of Japan's traditional tight control of domestic markets, but should also end a squabble between the U.S. and Japan which has delayed a capital increase at the World Bank.

Japan is expected to subscribe for a large share of the increase and could then become the second largest shareholder.

The Japanese delegation is understood to have asked the U.S. to examine unitary taxation laws in some states, with a view to ensuring that Japanese companies will not be affected adversely.

It is not known whether the U.S. delegation gave any commitment on this item.

News of the draft agreement provoked a sharp rise in the value of the yen on both sides of the Atlantic. In London, it strengthened to Y229.65 to the dollar after opening at 232.65. In New York, it rose swiftly to 229.50 to the dollar after opening at around 232.80.

Latin American ministers set to outline debt servicing demands

BY OUR FOREIGN STAFF

LATIN AMERICAN foreign and finance ministers, who are due to meet shortly for emergency discussion on the region's foreign debt problem, are expected to use their political and economic leverage to the maximum in an effort to limit the call on their resources represented by higher U.S. interest rates.

Among the demands likely to be made in the forthcoming meeting are:

- A grace period of six years for commercial debts with amortisation phased over a subsequent period of nine years.
- Expenditure on debt service to be fixed at a top limit of annual export revenue, perhaps no more than 15 per cent.
- A substantial reduction in interest rates.
- The transformation of part of the debt principal into negotiable bonds.

"This is not an academic exercise like the recent economic summit in Quito; this is for real," one senior United Nations official said yesterday. "Everyone is conscious that Argentina has a great many commitments to honour before the end of June if U.S. banks are not to have to declare some Argentine loans non-performing. That deadline is concentrating everyone's mind."

Ministers of Mexico, Colombia, Brazil and Venezuela are to meet – probably in Bogota – in the aftermath of the tough statement on rising world interest rates and the increasing debt burden put out last weekend by their governments.

The time and venue have not been fixed, but the gathering could be called before the London summit of the leading industrial nations scheduled for June 7 – 9.

The United Nations Economic Commission for Latin America and the Caribbean has computed that the recent rises in the U.S. prime rate from 11 to 12.5 per cent, if prolonged for a year, will cost Latin America an additional $3.3bn. in interest payments. At the same time, the political pressures on governments represented by the austerity programmes required if they are to meet ballooning debt service charges are increasing rapidly. The political crisis unfolding in Bolivia in the wake of the Government's austerity package decreed last month is being observed with nervousness by Latin American governments.

Latin American governments believe they can detect an increased sensitivity in Washington recently to the region's debt problems. Some sense a new disposition on the part of the U.S. Federal Reserve cautiously to explore ways of relieving financial pressures although President de la Madrid of Mexico returned from his visit to Washington last week disappointed with the reception accorded to Mexico's problems.

The four-nation statement on debt problems at the weekend, and plans for a ministerial meeting, have been widely welcomed in Latin America, with Peru, Ecuador, Chile, Venezuela and Cuba all expressing support for the gathering.

Renault losses rise to FFr 1.5bn

By David Housego in Paris

RENAULT, the French state-owned motor group, suffered beavier losses last year and now does not expect to return to profit for another 18 months to two years.

The group announced yesterday a 23 per cent increase in its net consolidated deficit for 1983 to FFr 1.58bn ($187.4m) on the basis of a 4.1 per cent rise in sales for the year to FFr 110.27bn. Losses would have climbed still higher last year to FFr 2.8bn but for the adoption of a new accounting procedure.

In line with a practice common to car manufacturers, Renault is now taking a proportion of the launching costs of new models outside the profit and loss account.

The bulk of the losses came in the trucks division (Renault Vehicule Industriels) which incurred a FFr 2.2bn deficit as a result of the intensification of the price war between international manufacturers last year.

The group's car division, however, made a profit last year of FFr 674m (up from only FFr 9m in 1982), but found its position in the French market under attack because of a delay in introducing new models.

Renault's market share in France has continued to decline in the first quarter of this year, falling to 32 per cent, compared with 36.5 per cent for the whole of 1983 and 40 per cent between 1980-1982.

Last year's deeper plunge into the red puts combined Renault losses for the last three years at FFr 3.5bn. This compares with losses by Peugeot, the French private car manufacturer, of FFr 6.5bn over the same period.

The Government none the less, yesterday demonstrated its confidence in M Bernard Hanon, the company's chairman, by reconfirming him in the post. The announcement, following the weekly cabinet meeting, was accompanied by the publication of a letter from M Laurent Fabius, the Industry Minister, to M Hanon in which he stated that one of the group's priorities must be a speedy return to financial equilibrium.

Renault is putting its faith in a large investment programme, new models and modernised production to achieve recovery. Investment rose last year by 24 per cent to FFr 10.5bn and, according to M Pierre Souleil, the financial director, will remain at about this level during 1984. He would not confirm that the group is seeking substantial cuts in its workforce as other car manufacturers had done.

UK will oppose EEC price control on cars, Page 2; Ford results in Brazil, Volvo deputy chairman to step down, Page 27.

Europe to trail in recovery

By Philip Stephens in London

THE WORLD'S industrialised countries should achieve 4 per cent economic growth this year, but Western Europe will lag far behind North America and Japan, Britain's National Institute for Economic and Social Research says today.

The institute, a leading UK independent forecaster, says the U.S. economy will expand by 6 per cent in 1984. Japan and Canada will show growth rates of about 4½ per cent.

Western European nations, however, will have to be content with only a 2 per cent rise in output, although their recovery should gain some further momentum in 1985.

Prospects for world trade are the best for six years, it says, with volume increases of about 5½ per cent expected both this year and next.

The revival of trade in the present recovery cycle, however, is still much more subdued than in the mid 1970s.

The institute says that growth next year in the industrialised world will be pulled down to around 3 per cent by an abrupt slowing expansion in the U.S. to around half this year's pace.

Inflation is expected to edge higher in most countries.

Details, Page 11

Catalan president to face fraud charges

BY TOM BURNS IN MADRID

SPAIN'S Attorney General yesterday ordered the prosecution of Sr Jordi Pujol, the president of the Catalan autonomous government, and of 24 other former executives of Banca Catalana, on charges of embezzlement and falsifying bank documents.

The move caused an immediate outcry from Catalan nationalists who accused the central Madrid Government of Sr Felipe Gonzalez of attempting to discredit Sr Pujol in the wake of his victory in the Catalan elections last month.

Sr Luis Antonio Buron Barba, the Attorney General, said "irregularities" had taken place at Banca Catalana between 1974 and 1982 and that at least Pta 20bn ($30.7m) had disappeared from the bank during that period.

He said the bank's administrators had systematically withdrawn customers cash deposits using fictitious investments that figured falsely among the bank's assets. Two investigating magistrates who prepared the case against Sr Pujol and his associates had based their charges on reports by the Bank of Spain and the Deposit Guarantee Fund.

Sr Pujcl founded Banca Catalana in 1958 and was its president until he resigned in 1977 to devote himself to politics. The Bank of Spain intervened in 1982 when the bank had losses outstanding of Pta 139bn. After an injection of public funds of over Pta 270bn its management was taken over last year by Banco de Vizcaya on behalf of a pool of the main Spanish banks Vizcaya finally bought the Catalana group in January this year.

Sr Pujol, 53, who has long been a leading figure in the modern Catalan nationalist movement, formed his own party, Convergencia i Unio, in the 1970s and was elected President of the Generalitat, the Catalan autonomous government, after the first elections to the Catalan parliament in 1980. He was re-elected for a four-year term in April after his party gaining 47 per cent of the vote and 72 seats in the 135-member Catalan parliament.

In a bitter statement, the Catalan nationalist spokesman in the Madrid parliament, Sr Miguel Roca, accused the Prime Minister and the Socialist Party, of attempting, through the Attorney General, to avenge the electoral defeat suffered by the Socialists in the Catalan elections. "This has demonstrated that it is dangerous to win against the Socialists", he said.

The Attorney General at a press conference denied that the Catalan elections had influenced the prosecution charges and said he had not been subjected to any political pressure.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	17	63	Dubrovnik	C	22	72	Malaga	S	21	70	Salzburg	T	17	63
Akrotiri	S	28	82	Faro	F	18	64	Malta	S	13	55	Seoul	C	25	77
Algiers	S	21	70	Florence	R	13	55	Manila	C	33	91	Singapore	R	31	88
Amsterdam	R	11	52	Frankfurt	R	18	64	Miami	F	25	77	Stockholm	C	13	56
Athens	S	27	81	Funchal	C	16	61	Milan	C	14	57	Strasbourg	C	13	55
Bahrain	C	33	91	Geneva	C	13	55	Moscow	-	—	—	Sydney	C	21	70
Bangkok	-	—	—	Gibraltar	S	19	66	Munich	C	15	59	Taipei	C	27	81
Barcelona	F	17	63	Guernsey	C	12	54	Nairobi	-	—	—	Tangier	F	17	63
Beirut	-	—	—	Helsinki	C	15	59	Naples	F	18	64	Tehran	-	—	—
Belgrade	S	27	81	H. Kong	C	27	81	New Delhi	C	44	111	Tel Aviv	S	29	84
Berlin	F	17	63	Innsbruck	R	16	61	New York	F	25	77	Toronto	F	22	72
Biarritz	F	15	59	Inverness	S	14	57	Nice	C	15	59	Tokyo	R	17	63
Blackpool	F	16	61	Istanbul	S	28	82	Oporto	C	14	57	Toronto	R	14	57
Bordeaux	R	11	52	Jersey	C	11	52	Oslo	S	24	75	Tunis	F	23	73
Brussels	F	15	59	Jo'burg	C	17	63	Paris	F	15	59	Valencia	F	21	70
Budapest	R	13	55	Las Palmas	F	20	68	Prague	F	19	66	Venice	R	11	52
B. Aires	R	18	64	Lima	C	22	72	Reykjavik	C	6	43	Vienna	F	17	63
Cairo	C	37	99	Lisbon	F	16	61	Rio de J'o	C	32	90	Warsaw	T	17	63
Cape Town	-	—	—	Locarno	R	15	59	Rome	C	20	68	Zurich	C	13	55
Caracas	C	28	82	London	S	16	61								
Casablanca	C	18	64	Los Angeles	C	18	64								
Copenhagen	R	12	54	Luxembourg	F	15	59								
Corfu	S	24	75	Madrid	F	14	57								
Dublin	F	13	55	Majorca	S	19	66								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Conti Illinois cuts borrowings

Continued from Page 1

Commenting for the first time on the bank's funding abilities since the rescue package was announced, Mr David Taylor, the chairman and chief executive of Continental, said yesterday that the bank's funding in the money markets had "already increased noticeably in Asia, particularly in Japan, where banks were returning to Continental." In Europe, which provided much of the group's recent funding, Mr Taylor said the situation had stabilised.

At the height of the run on Continental Illinois less than a fortnight ago, the bank was only able to raise about a fifth of the $8bn a day of overnight funds it needed, forcing U.S. bank regulators to come to its assistance with an unprecedented rescue package which effectively means that they will not allow the Chicago bank to fail.

Since the rescue package was put in place there have been conflicting reports on its success. Bankers have been watching how quickly Continental Illinois could reduce its official support and return to the markets independently for funds.

Mr Taylor said yesterday that the rescue package had been well received and was helping the company to gain customer relationships. The programme was helping to put an end to recent uncertainties and more institutions were feeling comfortable in their dealings with Continental, said Mr Taylor.

Mr Taylor reaffirmed that the banks' number one objective was to survive as an independent institution. Bankers note that if Continental can prove that it can quickly rid itself of the need for a liquidity "life-boart," its prospects for remaining independent would be much improved. However, Mr Taylor indicated yesterday that his bank was still relying on both the Federal Reserve Bank of Chicago and the commercial bank "safety-net" for temporary funding.

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Sharp drop in earnings for Firestone in quarter

BY WILLIAM HALL IN NEW YORK

FIRESTONE Tire and Rubber, the world's second biggest tyremaker, has reported a sharp drop in its second quarter net income despite the buoyant demand from the North American car industry, which takes a large part of its output.

The group's income from continuing operations in the three months ended April 30 fell from $22m to $11m primarily because of a $36m rise in operating expenses, most of which related to the acquisition of more than 200 former J. C. Penney service centres and other retail outlets.

The group's North American tyre operations, which account for over half group sales, reported a more than two-thirds drop in operating income to $10m in the latest quarter. The company blames increased staffing and occupancy costs for the sharp fall in profits.

The company says that essentially all of the increased tyre production in North America went to satisfy substantially higher original equipment demand. Consequently, replacement tyre market sales were unchanged. Firestone says it is increasing production further, cutting private brand sales and increasing outside purchases.

The group's international tyre operations increased their second quarter contribution by 36 per cent to $30m, primarily as a result of improved performance in the Liberian plantations and the Latin American operations.

Firestone's net income in the latest quarter, including extraordinary credits and discontinued operations, fell 38 per cent to $16m or 33 cents a share. Sales in the latest quarter were up 18 per cent at $988m and in the first half of the financial year are up 14 per cent at $1.9bn.

At the same time Firestone is to invest Pta 11bn ($71.8m) over the next five years in Firestone Hispania following its decision last week to increase its stake in the Spanish company from 26 per cent to 49 per cent.

The investment plan will rationalise and modernise Firestone Hispania's plants in Basauri near Bilbao, in Burgos and in Torrelavega, near Santander, and will boost production capacity.

The investment plan will make Firestone Hispania one of the main tyre manufacturers in Europe.

The U.S. company had guaranteed that exports would be doubled to some $70m annually over the next five years, according to an official.

Under the rationalising plan the main plant at Basauri will be devoted solely to large heavy load tyres, the plant at Burgos will produce conventional car tyres and the Torrelavega plant will manufacture light truck and tractor tyres.

The increased stake will be the result of buying up privately owned shares through a public tender offer in July and a new issue of common shares.

The U.S. company, which already sent in key senior personnel to the Basauri headquarters, aims ultimately to fully own Firestone Hispania. The major shareholders in the Spanish company are a group of Spanish banks which are reportedly determined to keep their equity.

Ford do Brasil plunges into red

By Andrew Whitley in Rio de Janeiro

FORD DO BRASIL, the last of the multinational vehicle manufacturers in Brazil to declare its 1983 results, has reported a net loss for the year of almost $30m, compared with a profit of $35.5m in 1982.

Ford's loss brought the accumulated loss of the six major manufacturers – Volkswagen, General Motors, Ford, Fiat, Mercedes Benz and Saab Scania – to the equivalent of $117m, one of the worst years in the past decade for the industry. Only Mercedes Benz recorded a profit.

Mr Robert Gerrity, president of Ford's Brazilian subsidiary, blamed government price controls, high interest rates and the industry's continuing investment programme for his company's poor results.

The outlook for this year has deteriorated for the vehicle manufacturers, with the industry predicting total sales of only 550,000, down from 630,000 in 1983. This is half the record level reached in 1980, before the Brazilian recession took hold.

In the first quarter of this year total vehicle sales were down by nearly 16 per cent on the same period in 1983. Exports, on the other hand, rose in value by 32 per cent to $317m.

During 1983 Ford do Brasil's gross revenue declined by nearly a quarter from $1.81bn to $1.37bn, despite the boost provided by substantially higher exports.

The impact of financial charges on the U.S. company's results deepened, as it did for almost all sections of Brazilian manufacturing industry. Ford's financial charges and taxes rose by a third to $315m, at the average exchange rate for the year.

Within Brazil, Ford has struggled to hold its share in a declining market, in the face of strong competition from General Motors' recently launched Monza model.

Speaking in Sao Paulo earlier this week, when he introduced the 1983 results, Mr Gerrity said Ford was planning a new investment programme of about $500m for Brazil, starting in 1987.

Norsk Data and Racal form joint venture

BY RAYMOND SNODDY IN LONDON

NORSK DATA, the Norwegian computer company, and Racal, the UK electronics group, have set up a joint venture to produce advanced computer systems designed to develop the use of artificial intelligence.

The venture will bring together the computer expertise of Norsk Data, which has one of the fastest 32-bit mini-computers on the market, with the artificial intelligence aspirations of Racal.

The new company, which will be known as Racal Norsk, will produce a computer system which can be used to develop artificial intelligence applications in defence, engineering, education, petrochemicals and finance.

Research started immediately after an agreement in principle was reached in the new year and the new company, which will be part of the Racal Data Communications Gorup, hopes to have its system on the market by the last quarter of this year. Racal will have 51 per cent of the venture.

The company believes it will have the first European produced system which will be suitable for artificial intelligence applications. Artificial intelligence, which many observers believe will be one of the main areas of development in computers over the next 10 years, is the term used to cover all the attempts to produce computers which can take decisions in an "intelligent" way.

Dr David Thomas, director of the intelligence and knowledge based systems section of the Alvey Directorate, which is trying to stimulate research into a new generation of computers, said yesterday: "If their machine is successful it could generate a lot of business." There was a need for such a delivery system but he warned that competition from the U.S. and Japan would be stiff.

The new product, the Knowledge Processor System, can be developed in less than a year because it brings together technology which already exists separately at Racal and Norsk Data.

Racal has been investigating the potential of artificial intelligence for the past two years. It has a licence from the Massachusetts Institute of Technology to use ZetaLisp, one of the most suitable types of computer language for artificial intelligence. Norsk Data has a computer powerful enough to run it efficiently.

A special computer code is now being written to run ZetaLisp on Norsk Data's top machine, the NK 570.

Buoyant start for Svenska Cellulosa

By Kevin Done in Stockholm

SVENSKA Cellulosa (SCA), the largest forest products group in the Nordic region, increased its profits by 88 per cent in the first four months of the year, following a jump of 64 per cent in 1983.

Mr Bo Rydin, chief executive, said profits for the whole of 1984 would be "decidedly better" than last year, although it was unlikely that the rate of improvement shown in the first four months could be maintained for a full year.

At the same time SCA announced that it was embarking on its biggest single investment project with the construction of a new SKr 1.14bn ($142m) newsprint mill, with an annual capacity of 210,000 tonnes, at Ortviken. Investment in the newsprint mill at Ortviken will increase capacity there to 600,000 tonnes a year.

In the first four months of the year SCA increased group turnover by 22 per cent, to SKr 3.58bn from SKr 2.93bn in the corresponding period last year. Profits before extraordinary items, appropriations and taxes jumped to SKr 483m, from SKr 257m.

Greece needs to raise $850m

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

GREECE still needs to raise $850m on commercial markets to meet its gross foreign borrowing needs this year, Mr Stratis Papaefstratiou, counsellor to the governor of the central bank, said yesterday.

Speaking at the signing of a $400m credit for the Bank of Greece, he said the bulk of the country's remaining needs would be met by three relatively large operations for the National Bank of Greece, Hellenic Telecommunications and the Public Power Corporation.

But there were also likely to be some smaller deals denominated in yen and D-Marks, he added.

Greece, which has a total medium- and long-term debt of between $10bn and $11bn, faces gross foreign borrowing needs in 1984 of some $1.8bn. About $400m will be met from official sources such as the European Investment Bank and a further $550m has already been covered by the credit signed yesterday as well as a $150m floating rate note.

Eurobonds, Page 50

BHF Bank moves ahead

FRANKFURT – Berliner-Handels-und-Frankfurter Bank (BHF) saw a further decline in its interest margin over the first four months of 1984, but was able to increase overall operating profit by 3.3 per cent.

Herr Hans Christian Schroder-Hohenwarth, the senior partner, told the annual meeting that interest margins slipped to 1.97 per cent, from an average 2.14 per cent in 1983 and 2.20 per cent in 1982.

In April, BHF Bank reported an increase in 1983 group net profit to DM 61.43m ($22.3m), from DM 31.59m in 1982. Reuter

Heineken buys into Spanish brewer

BY WALTER ELLIS IN AMSTERDAM

HEINEKEN, the leading Dutch brewing group, yesterday announced the acquisition of a "significant minority interest" in El Aguila, the largest Spanish brewer.

The transaction, valued at around Fl 100m ($33m), will take the form of a 50 per cent increase in the share capital of El Aguila all of which will be taken up by Heineken.

El Aguila has about 20 per cent of the Spanish beer market. The company owns two malteries and seven breweries with a total production capacity of around 7.5m hectalitres.

Heineken has been expanding its international business, through joint ventures and participations, at an increasing pace in recent years.

Heineken recorded a 30 per cent increase in net profits last year to Fl 198m. Consolidated sales rose by 11.7 per cent to Fl 4.7bn.

Deputy chief at Volvo quits

By Our Nordic Correspondent

THE EXECUTIVE management of Volvo is strengthening its grip on the company with a proposal to increase the number of senior executives on the board.

At the same time the company announced officially that Mr Anders Wall, the Swedish financier, is stepping down as deputy chairman of the group.

Mr Wall's decision not to seek re-election marks the end of a short but eventful association with Volvo and its current chairman, Mr Pehr Gyllenhammar.

Mr Wall came on to the board as chairman in 1981 following Volvo's jumbo merger with Beijerinvest. His style clashed with that of Mr Gyllenhammar, who took over himself as chairman of the Volvo board last year while maintaining the position of group chief executive.

Volvo said yesterday that shareholders would be asked next week to approve the promotion of Mr Hakan Frisinger, managing director of the Volvo parent company and formerly head of the car division, to a full board member.

Canadian brewer to step up dividend

BY BERNARD SIMON IN TORONTO

CARLING O'KEEFE, the Canadian brewer controlled by Rothmans of Pall Mall, lifted net earnings to C$54.3m (U.S.$42m) or C$2.40 per share in the year to March 31, from C$38.1m or C$1.65 in the previous year. Carling also has substantial oil and gas interests in Canada and the U.S. and owns several well-known football and ice hockey teams in North America.

Sales rose to C$948.5m from C$784.2m and the dividend has been raised from 26 cents to 37 cents. According to Carling, earnings from its beer division rose by 15 per cent last year in a stagnant market. Sales volumes rose by 16 per cent reflecting a four percentage point increase in market share to around 30 per cent.

Carling's brands include Black Label and O'Keefe Ale. The company signed an agreement last year with Miller Brewing of the U.S. to manufacture and sell certain Miller brands in Canada. Carling also has brewing interests in Ireland.

A key reason for the company's recent success in the Canadian beer market is its introduction, through the link with Miller, of long-necked bottles which now account for about 60 per cent of the market.

First City Financial to buy Charter offshoot

BY BERNARD SIMON IN TORONTO

FIRST CITY Financial, the Vancouver-based financial services company controlled by members of the Belzberg family, is to acquire through an unnamed subsidiary the entire capital of Charter Security Life Insurance, a group of subsidiaries of Charter Company of Jacksonville, Florida, which filed for protection from its creditors under the U.S. bankruptcy code last month.

No details of the transaction have been disclosed. The companies said that agreement on the acquisition was "preliminary", and still required approval from U.S. regulatory authorities.

Parties to the transaction include four European banks holding a security interest in the insurance companies as collateral for a $91m debt of Charter. The banks, among them Grindlays of the UK, earlier asked a bankruptcy judge to allow them to sell Charter's insurance interests but agreed not to press the issue to give Charter time to dispose of the companies.

Charter said the proposed link with First City would enable it to continue its insurance operation and to ensure the security of existing policyholders.

Should the takeover be completed, it will mark First City's first investment in the insurance business. The group, with assets of more than C$3bn (U.S.$2.3bn), has interests in a wide range of financial services, real estate and investment management.

Nuclear sale by PS New Hampshire

By Paul Taylor in New York

PUBLIC Service New Hampshire, the financially troubled New England electricity utility, is to sell its 5 per cent interest in a 12-year-old Maine nuclear power plant to a local electricity co-operative for $57m.

The deal, if approved by regulatory agencies, will allow PS New Hampshire, which is the major partner in the disaster-prone Seabrook nuclear power station project, to proceed with a Merrill Lynch plan to finance completion of the first of the Seabrook power plants and avoid a threatened chapter 11 bankruptcy code filing.

The plan, which has been approved by the Rural Electrification Administration (REA), would allow New Hampshire Electric Co-operative to use some of the previously approved $75m in REA-guaranteed loans to buy PS New Hampshire's stake in Maine Yankee, an operating nuclear power plant on the Maine coast.

Shell deadline passes

BY OUR NEW YORK STAFF

ROYAL Dutch/Shell's $58 per share offer for the 30 per cent minority of Shell Oil, its U.S. subsidiary, expired at 5pm New York City time yesterday, even though its investment adviser, Morgan Stanley, had still not produced its revised verdict on whether the offer price is "fair."

Royal Dutch/Shell announced on May 10 that 64.1m of the 94.67m shares it does not own had already been tendered under the offer, with the result that it now controlled slightly over 90 per cent of Shell Oil.

Since then it has mounted an aggressive publicity campaign to convince the remaining shareholders to tender their shares, even though a U.S. court has raised doubts about the "fairness" of the price, and temporarily blocked the takeover until Royal Dutch provides more information.

Shell Oil has made internal information on its reserves available to Morgan Stanley, and the adviser is required to produce a revised opinion on whether the offer is fair

FCA delays issue of debentures

By Our New York Staff

FINANCIAL CORPORATION of America (FCA), the biggest U.S. thrift institution, has delayed the issue of a $225m "reverse adjustable rate subordinated debenture" until it provides more information to the Federal Home Loan Bank Board (FHLB), its primary regulator.

Earlier this week FCA had commenced an offer to buy up to 10.46m of its 42.6m outstanding common shares for an unusual issue of subordinated debentures. In exchange for their common stock FCA shareholders are being offered a debt instrument at $21.50 per share. The new paper, which will be subordinated to all of FCA's senior debt and will mature in 1994, carries a variable rate of between 13 per cent and 20 per cent.

FCA's shares fell from a peak of $32¼ last year to a low of $13¼ earlier this year. They have recovered to $16¼ and FCA believes that its shares are undervalued.

The group filed a debt budget with the FHLB last October covering its planned debt issues for 1984, but the FHLB has said that it must file an additional application relating specifically to the new instrument.

Shipping group buys stake in foods co-op

By Fay Gjester in Oslo

WILH. WILHELMSEN, Norway's largest shipping group, has agreed to take a 45 per cent stake in Frionor Australia, the Australian marketing subsidiary of Frionor frozen foods co-operative of Norway.

The acquisition, which will be effective from July 1, is expected to boost Norwegian frozen fish exports to this market. It marks Wilhelmsen's first move into trading activity overseas. With its world-wide Barber-Wilhelmsen agencies network, it is well placed to expand from shipping into trading.

In partnership with Wilhelmsen, Frionor foresees a sharp rise in the turnover of its Australian subsidiary – to an estimated NKr 100m annually, in the first operating year from between NKr 70m ($8.8m) and NKr 80m in 1983. The shipping group has been represented in Australia since 1919, and operates terminals and agencies there. Its Scancarrier Line plies between Europe, New Zealand and Australia.

N. AMERICAN QUARTERLY RESULTS

ACF INDUSTRIES
Railcars, rail equipment

First quarter	1984	1983
	$	$
Revenue	115.5m	105.0m
Net profits	2.6m	†2.3m
Net per share	0.31	†0.28

†Loss

CAMPBELL SOUP
Convenience foods

Third quarter	1983-84	1982-83
	$	$
Revenue	933.6m	832.1m
Net profits	46.7m	38.4m
Net per share	1.45	1.19
Nine months		
Revenue	2.82bn	2.63bn
Net profits	149.6m	128.3m
Net per share	4.64	3.98

ALLIED STORES
Department stores

First quarter	1984-85	1983-84
	$	$
Revenue	841.5m	761.5m
Net profits	14.7m	13.1m
Net per share	0.70	0.63

CARNATION
Dairy and food products

First quarter	1984	1983
	$	$
Revenue	867.2m	807.3m
Net profits	61.1m	57.8m
Net per share	1.76	1.58

DAON DEVELOPMENT
Property

First quarter	1984-85	1983-84
	$	$
Revenue	100.0m	146.9m
Net profits	390,000	†10.8m
Net per share	0.01	†0.32

†Loss

DAYTON HUDSON
Diversified retailing

First quarter	1984-85	1983-84
	$	$
Revenue	1.82bn	1.37bn
Net profits	28.4m	22.7m
Net per share	0.29	0.24

DRESSER INDUSTRIES
Equipment for energy industries

Second quarter	1983-84	1982-83
	$	$
Revenue	899.9m	867.0m
Net profits	22.6m	†10.1m
Net per share	0.26	†0.13
Six months		
Revenue	1.69bn	1.70bn
Net profits	32.2m	†17.5m
Net per share	0.40	†0.22

†Loss

FEDERATED DEPARTMENT STORES
diversified retailer

First quarter	1984-85	1983-84
	$	$
Revenue	2.03bn	1.84bn
Net profits	35.8m	43.0m
Net per share	0.74	0.89

KAISER STEEL
Steel and steel products

First quarter	1984	1983
	$	$
Revenue	37.2m	38.0m
Net profits	351,000	†9.9m
Net per share	—	—

†Loss

R. H. MACY
Department Stores

Third quarter	1983-84	1982-83
	$	$
Revenue	908.9m	780.5m
Net profits	36.5m	29.5m
Net per share	0.72	0.59
Nine months		
Revenue	3.15bn	2.66bn
Net profits	177.0m	144.0m
Net per share	3.50	2.87

Veba opens year with 89% rise in profits

By Our Frankfurt Staff

VEBA, the West German energy and industrial concern, has boosted sales and profits in the first quarter of this year.

Sales revenue was 5.5 per cent ahead of a year ago at DM 12.77bn ($4.6bn), while net profits bounded ahead 89 per cent to DM 119m.

Veba said its higher sales revenue came mainly from increased electricity production, as well as improved business in chemicals and oil.

Revenue from electricity output rose 10.4 per cent to DM 2.9bn, chemical sales were up 12.2 per cent at DM 1.4bn, and revenue from oil, including petrochemicals, was 6.4 per cent ahead at DM 3.5bn.

The company said the extra profits arose partly from increased use of economical nuclear energy, while results from organic chemicals and plastics were also good.

Veba, the country's biggest industrial undertaking in terms of sales revenue, has continued to trim its workforce, which was down 1 per cent from the end of last year to 76,420 at the end of March.

The Federal Government reduced its stake in Veba earlier this year from 43.75 per cent to 30 per cent

Veba increased its profit by 9.7 per cent to DM 372m in 1983 despite a 2.3 per cent decline in sales revenue to just under DM 50bn. It paid an unchanged dividend of DM 7.50 per share.

● Allianz Versicherung, the West German insurance group, proposes an unchanged dividend of DM 10 a share for 1983.

The payout will be spread out over a larger capital base of DM 500.4 ($180.4m), compared with DM 417m in 1982.

Profits of the group rose by 24 per cent to DM 246m last year against DM 199m in 1982.

Asuag-SSIH to asborb subsidiaries

ASUAG-SSIH, the leading Swiss watch industry company, is to absorb its SSIH Ebauches, and General Watch subsidiaries, John Wicks reports from Zurich. An offer of SwFr 4,000 (US$1,764) per share of SwFr 500 nominal value has been made to minority shareholders of Ebauches, the watch movements and components company. They hold some 8 per cent of the Ebauches capital.

Daimler-Benz lifts output and boosts sales

BY JOHN DAVIES IN FRANKFURT

DAIMLER-BENZ, the West German motor vehicle maker, has made a further advance this year, but may have to lower its sights if the labour conflict in the country's metal industries lasts much longer.

Car output in the first four months of this year was 10 per cent ahead of a year ago, as a result of expanded capacity at the plant in Bremen.

Professor Werner Breitschwerdt, the chief executive, said that, before the labour troubles, the company had set a target of well over half a million cars this year.

Last year Daimler-Benz lifted car output by 3.9 per cent to 476,000 and has built up its strained capacity by converting its Bremen works into a second major car factory in addition to Sindelfingen near Stuttgart.

In the first quarter this year, Daimler-Benz increased group world-wide sales revenue to DM 10bn ($3.6bn), up 5 per cent on a year earlier, while parent company sales rose 3 per cent to DM 8.2bn.

The group's world-wide sales last year exceeded DM 40bn for the first time, after a rise of 2.8 per cent. Parent company sales showed a 3.4 per cent gain to DM 32.2bn.

Professor Breitschwerdt said that despite world recession, Daimler-Benz had lifted sales by nearly DM 9bn or just short of 30 per cent in the last three years.

Group net profit bounded ahead 7.2 per cent last year to DM 988m, of which the lion's share of DM 633m was put aside to strengthen the company's financial position.

Parent company profit advanced 3.3 per cent to DM 710m, half of which went into reserves. Daimler maintained its DM 10.50 dividend per share on capital enlarged late in the year by a rights issue, although the DM 1 bonus of 1982 was dropped as a consequence.

SOURCES OF SALES REVENUE DM bn	1982	1983
West Germany	13.32	15.18
Rest of Europe	7.82	7.72
North America	6.93	8.45
Latin America	2.63	1.85
Asia, Africa, Australia	8.21	6.81
Total	38.91	40.01

Company executives described profits so far this year as satisfactory, but indicated that a prolonged labour dispute could mean a reassessment of targets and likely results.

Daimler's car and truck production has been rapidly hit by strikes, lock-outs and lay-offs as a result of the dispute over the demand by IG Metall, the metalworkers' union, for a shorter working week.

Some of this was being offset by savings on costs of labour and materials. The company's component suppliers were missing out on about DM 60m a day in sales.

Professor Breitschwerdt, who took over the top management job after the death of Dr Gerhard Prinz late last year, said that the union's demand would mean a loss of competitiveness for the whole West German motor vehicle industry.

While many countries continued to trim their workforce last year, the number of Daimler-Benz employees in West Germany increased for the eighth year in succession to 151,270. The number abroad, however, declined by 8 per cent last year to 33,600.

Professor Breitschwerdt said that car output gave the chief impetus to the company's better performance last year. Commercial vehicle output, which fell by 9.5 per cent to 226,400, held back the company's results.

Before the labour conflict developed, the company had aimed at maintaining commercial vehicle output at about the same level as last year.

Although exports of heavy trucks to some Middle Eastern countries had fallen, he was convinced that the truck market had good potential.

Truck production subsidiaries in Brazil and Argentina had made a profit last year, despite setbacks in output.

But Daimler-Benz executives indicated they still had headaches with bus production in Germany which has fallen from 13,700 in 1974 to 7,960 last year.

Olivetti seeks global role through link with AT & T

BY PAUL BETTS IN PARIS

OLIVETTI SAID yesterday that it will initially concentrate sales of private telephone digital exchange systems manufactured by American Telephone and Telegraph in the British and Italian markets.

The Italian office equipment and information processing group, also said that Olivetti would see its sales to the U.S. double this year to $500m as a result of its association with AT & T.

AT & T acquired 25 per cent of Olivetti at the end of last year. The association will enable Olivetti to market its office automation and information processing equipment through the vast AT & T network in the U.S. while offering a window on the European market.

At a Press conference outside Paris, Sr Carlo de Benedetti, group chairman, said U.S. sales of about $250m this year would be boosted by further $250m in sales of Olivetti equipment to AT & T.

Sr de Benedetti defended his collaboration deal with the U.S. telephone group, explaining that the agreement gave Olivetti the global dimensions necessary to survive and succeed in the imminent shake-up in the communications and information processing industry.

The alliance with AT & T would transform Olivetti into what he termed "a global competitor."

But the Italian group was continuing to look at acquisition and new industrial alliances to stimulate growth. He suggested that future deals would not be similar to the "strategic alliance" with AT&T but narrower ventures designed to strengthen Olivetti's position from a marketing standpoint in several specific areas.

Olivetti is in particular interested in venture capital investment. The group has already invested in 30 venture capital companies in the U.S. and five in Europe.

The aim of the agreement with AT&T was to be able to draw from the U.S. market the necessary introduction volume to make Olivetti more competitive in other markets, especially Europe, where it is seeking to be a market leader, said Sig de Benedetti.

He favoured from a political point of view alliances between European manufacturers and was pressing for the adoption of common standards by European electronic equipment makers to strengthen the European market. But he also noted that agreement between European manufacturers was particularly difficult. As a result Olivetti had agreed to collaborate with AT&T because it could not forfeit its future growth and development.

Signor de Benedetti pointed out that out of 200 joint venture agreements by European electronic companies last year 50 per cent involved deals with U.S. concerns, 30 per cent with Japanese companies and only 18 per cent between two European companies.

He also claimed that his joint venture agreement to manufacture an electronic typewriter with CIT-Alcatel, the French state-controlled telecommunications company, was one of the few concrete examples of European collaboration in the electronics sector. The two companies are due to construct an electronic typewriter plant in France.

Olivetti's financial results last year confirmed the basic soundness of its strategy, he said. During the last five years, sales have increased from nearly L1,853bn ($1.1bn) in 1979 to L3,736bn in 1983; net income has increased from L33.3bn to L295.3bn; debts declined from L859bn to L726bn; and shareholders' equity, which totalled a meagre L50bn in 1979, amounted to L1,202bn in 1983.

DG Bank moves ahead

BY OUR FRANKFURT STAFF

DG BANK, the central institution of the West German cooperative banking movement, has further increased its operating earnings this year, although at a slower pace than last year.

The bank said that growth had tapered off to a more "normal" rate, with operating earnings up 9 per cent in the group and up 4 per cent in the parent bank in the first four months of the year.

Herr Helmut Guthardt, the chief executive, said that the margin on interest rate business had held up at about the same level as last year, but was coming under pressure.

DG Bank doubled the group's partial operating profit—consisting of interest rate and commission earnings, minus running costs—to DM 432m ($157m) last year.

After other earnings and adjustments, including risk provisions, the group had an unchanged net surplus of DM 100m. Of this amount, DM 70m was put into reserves and an unchanged dividend of 5 per cent paid.

In its foreign operations, DG Bank is setting up a merchant bank in Singapore to widen the activities already carried out by its local branch.

Hapag sells part of freight unit

By Our Frankfurt Staff

HAPAG-LLOYD, the West German transport concern, has sold the air and sea freight activities of its Pracht Air Service operation to Jardine Matheson.

The two companies said the move was a further step in already existing co-operation between them in the UK, the U.S., and Asia, and that they would continue to work together.

Other activities of the Pracht operation, including road transport in Europe, remain with the Hapag-Lloyd group.

Capital injection for DnO

BY FAY GJESTER IN OSLO

DET NORSKE OLJESELSKAP (DnO) a small, privately owned Norwegian oil company, is to receive a capital injection of NKr 153.5m ($19.7m) from two of the country's leading industrial firms—Dyno Industrier and Actinor (formerly Norgas).

The two are taking half each, at 175 per cent of par, of a new share issue which will raise DnO's share capital from NKr 262.3m to NKr 350m. Both already hold some shares, and their combined stake, after the issue, will be 31 per cent.

DnO recently became the fourth Norwegian company to be allocated shares in Norwegian shelf concessions—the others being Statoil, the state oil company, Norsk Hydro, in which the state holds a controlling stake and the independent Saga Petroleum, backed by a large number of Norwegian industrial, financial and shipping groups.

Although the shares it received were small (1 per cent each in two licences) the allocations commit DnO to quite sizeable expenditure in connection with exploration of the two areas—one in the North Sea and one off northern Norway.

Economic realism casts gloom over South Africa's chemicals makers

BY JIM JONES IN JOHANNESBURG

ONLY FIVE years ago, South Africa's chemicals industry was at the height of its confidence. Each of the major groups was engaged in comprehensive capital expenditure programmes. As far as most of the industry's executives were concerned, heavy capital spending was likely to persist until at least the turn of the century.

That enthusiasm has disappeared. These days the industry's managers are adamant that their groups have no capital spending projects planned and that the situation is unlikely to change in the immediate future. Mr David Marlow, the managing director of Sentrachem, the third largest quoted chemicals group, makes no bones about the fact that any new project would need to be highly attractive to encourage him to spend the R100m cash the concern has at the bank earning 19 per cent risk-free.

Marlow's views are echoed by Mr Ted Smale, the deputy managing director of the second largest quoted chemicals group, AECI. On average, AECI's plants are operating at about 70 per cent of capacity. As the unused capacity is brought back into operation, Mr Smale says, AECI will have more cash than it will know what to do with. Nevertheless, rather than spend on new projects, AECI could well concentrate on acquisitions or removing bottlenecks from existing plant to underpin its next growth phase.

> Will have more cash than it will know what to do with

Finding reasons for the change in management attitudes is not difficult. Virtually since the end of the Second World War, South Africa's chemicals sector has been nurtured behind a comprehensive array of import controls. This helped to ensure adequate returns on capital investments in a sector which was integral to the Government's drive towards national strategic self-sufficiency. Import controls were backed up by Government controls over who could build and operate this, that or the other chemicals plant. That helped to insulate the major groups from domestic as well as imported competition.

The other factor in the chemicals industry equation, and the factor which generated the most popular excitement five or so years ago, is coal. South Africa has no domestic oil resources, but the Government, bent on encouraging a high degree of self-sufficiency in liquid fuels and organic chemicals, ensured that conditions were favourable for the large scale establishment of chemicals plants based on coal. The significantly enlarged Sasol oil-from-coal operation was the most obvious development.

Sasol was built with state funds at a cost in the region of R6bn ($4.7bn), and is ensured of profits because of the controlled price of petrol. No one, publicly at least, questioned the cost or the viability of Sasol Figures are a closely guarded secret, but in round terms the oil-from-coal operation provides upwards of 50 per cent of South Africa's liquid fuel needs—at a price.

Attitudes could well change if the present oil glut is replaced by the fears of shortages which marked the 1970s. But for the present, economic realism appears to dictate that South Africa will not be building any more major synthetic fuels plants for many years.

Sasol's process is largely geared towards production of petrol, and, unlike conventional oil refineries, its plants do not produce significant quantities of diesel fuel. Three years ago the Government asked the private sector for proposals on the establishment of plants capable of producing diesel from non-oil feedstocks.

Last year, Anglovaal, the mining house which had made plans for a methanol-from-coal plant with Caltex Petroleum, the joint subsidiary of Texaco and Standard Oil of California, was told that its proposals did not fit in with national liquid fuels procurement policies. Sentrachem in partnership with the mining house, Gencor quietly deferred a liquefaction project.

In the meantime, Sasol, which now has public as well as state shareholders, has firmly established itself as South Africa's largest quoted chemicals sector group. Its annual turnover for 1982-83 was well over R3bn, against AECI's 1983 R1.62bn and Sentrachem's R0.7bn. And it is terrifying the other main chemicals companies with its rapid entry into the important R1bn a year fertiliser sector.

Fertilisers best exemplify, perhaps, the Government's new approach to the chemicals industry. In line with recommendations of an investigation into the country's industrial development strategy headed by Mr Basie Kleu, the chairman of the Board of Trade and Industries, the Government is switching from import controls to tariff protection, and it is taking into account Mr Kleu's recommendation that protection of import replacement industries should be on a limited and selective scale. In addition, South Africa is determined to align its foreign trade with the requirements of GATT, while the Government has fast come round to the view that a healthy dose of cheap chemicals imports can be a potent factor in reducing the country's 10 per cent-plus inflation rate.

> One of the few chemicals products South Africa can export in volume

Phosphoric acid is one of the few chemical products South Africa can export in volume. As Mr Smale admits, there are limited opportunities for other exports. South Africa simply cannot compete against chemicals makers with plants based on cheap oil. But fertiliser exports have been badly hit by weak demand from overseas buyers, while, at the same time, the domestic market has been hammered by the country's worst drought in 50 years.

At present, according to Mr Marlow. South Africa's annual consumption of fertiliser is about 2m tons. Under normal circumstances and when the drought eventually breaks, consumption could rise to 3.5m tons. This, though, is a far cry from the industry's currently installed production capacity of about 5m tons. No matter how strongly the market grows, there is little likelihood of any significant spending on new capacity for several years on Mr Marlow's reckoning.

The same seems to be true of polymers such as pvc. In the mid-seventies the Government was instrumental in joining AECI and Sentrachem in a 60:40 joint venture in the coal-based Coalplex pvc and caustic soda plant. Coalplex was built on the estimate that annual domestic pvc consumption would now be in the region of 170,000 tons. It is nearer to 100,000 tons, and Sentrachem has sold out its 40 per cent interest in the low-profitability operation to its partner, AECI, for R60m.

In another field, the fact that coal-based chemicals plants generally cost half as much again in capital terms as the more conventional operations using oil feedstock has not deterred Continental Gummi-Werke, the West German tyre maker, from laying initial plans to make synthetic rubber products in South Africa. Nor is it put off by the fact that South African plants are relatively small, and therefore relatively unprofitable in an industry in which volume throughput is all important.

Whether Conti-Gummi's plans come to fruition is another matter. Sentrachem, which operates the 50,000 tons a year coal-based Afprene synthetic rubber plant is barely content with the degree of tariff protection the Government has allowed it. Nevertheless, over the next five years its sales growth appears assured, in line with an agreement with the tyre industry which will steadily phase in use of synthetic rubbers.

The immediate outlook, though not altogether bright, is not altogether gloomy. As Mr Marlow of Sentrachem sees it, the Government is prepared to be flexible in its implementation of the new import policies, and realises that it has to tread carefully if a broadly-based chemicals industry is to be maintained. Nevertheless, in line with executives in other chemicals groups, he believes that the emphasis on coal has to change, and a shift has to be made to other feedstocks, which lower the industry's risks and costs.

The Government is taking another look at its industrial development strategy, but this is unlikely to alter thet chemical industry's view that the next expansionary round will almost certainly be based on projects which do not rely on protection.

INTERNATIONAL

Chairman of Barclays Bank of Zimbabwe

● Mr John Carter, formerly deputy chairman of BARCLAYS BANK OF ZIMBABWE, has been appointed chairman of that company. He succeeds Mr Geoffrey Ellman-Brown who has retired.

● Mr Robert J. Wall, vice president of CNA/Insurance, has been re-elected chairman of the board of THE SURETY ASSOCIATION OF AMERICA. Mr John H. Bloodgood, vice president of The Travelers Insurance Group, was re-elected vice chairman.

● Mr Jaime Debarros, who was managing director of VERBATIM in Europe, returns to corporate headquarters in California as managing director, international marketing.

●Professor Francois Schaller, of the Universities of Lausanne and Berne, has joined the board of CIBA-GEIGY, Basle. Mr F. Emmanuel Iselin and Mr Johann Jacob Vischer have retired from the board.

● Mr Werner Regli has been appointed finance and accounting director of the ALUSUISSE GROUP. Mr Regli will be based at the group's parent company Swiss Aluminium in Zurich.

● Mr John Elling Treat, president of the New York Mercantile Exchange (NYMEX), is to become a partner at BEAR, STEARNS AND CO. and will provide expanded energy futures investment services and risk management to large corporate clients in the energy industry. Mr Treat and current Bear Stearns partner Mr Joe Leach will manage the newly-structured Bear Stearns Energy Group, with headquarters in Los Angeles. Mr Treat will join the company in July.

● WHITTAKER CORPORATION has elected Mr Gregory T. Parkos as executive vice-president and a director. He was a vice-president and executive in charge of the company's chemicals group.

● CIGNA CORP. has elected Mr Paul H. Rohrkemper, formerly vice-president — financial relations, as vice-president and treasurer. Replacing him as vice-president—financial relations is Mr Gavin R. Arton. Mr Arton serves as the company's principal contact for the financial community and is responsible for CIGNA's shareholder services operations.

● Mr Neil R. Austrian has resigned as president and chief executive officer of Doyle Dane Bernbach International Inc to become chairman and chief executive officer of SHOWTIME/THE MOVIE CHANNEL, INC. a leading entertainment company. He will remain on the board of DDB as a major stockholder.

UNITED KINGDOM

Lloyds Bank small business chief

Mr Don Good has been appointed manager of the small business unit of LLOYDS BANK. He was formerly assistant chief manager of Lloyds Leasing. The bank has strengthened its small business operations with the creation of this unit, which now comes within Lloyds' business advisory service, whose chief manager is Mr Colin Jones. The unit, which spearheads the bank's promotional and service activities and technical expertise in the small business field, also includes the franchise manager, Mr Allan Pope.

★

CHEMICAL BANK has appointed Mr David E. Nye, vice-president, as managing director-designate for its recently established subsidiary, Chemical Bank (Guernsey), in St. Peter Port. Mr Nye joined Chemical Bank's merchant banking venture in London at its inception in 1970, becoming company secretary and executive director-administration before transferring into the London branch as vice-president in 1981.

★

Mr George Porritt has been appointed a director of YARROW. He joined the group in September 1981 as managing director of Control Systems, Uxbridge, and will continue in that post.

★

DERRY AND SONS, Nottingham, has appointed Mr Neville Barker to the board. He joined the company in 1945 and was a senior executive. He now assumes responsibility for sales and marketing. In the 117 year history of the firm Mr Barker is only the second person to be appointed a director from outside the Derry family.

★

Mr I. C. Smith has been appointed a non-executive director of WOLSTENHOLME RINK. He is managing director of Baxi Partnership.

★

Mr John B. Morris, a partner of Peat, Marwick, Mitchell and Co, management consultants, has been elected president of the INSTITUTE OF MANAGEMENT CONSULTANTS for 1984-85 and succeeds Mr Len J. Weaver, executive chairman of Polymark International. Mr John D. Chadwick, director and a governor of Sundridge Park Management Centre, has been elected senior vice president of the Institute. Mr Michael J. Allen, of Michael J. Allen and Partners, joins Mr David F. Fyfe, of Reynolds Cooper McCarron Associates—KMG, as an elected vice president. Mr Denis K. Tindley, of Deloitte Haskins and Sells management consultants, is the institute's honorary treasurer.

★

Lord Barnett, former chief secretary of the Treasury, and Mr E. W. Dawnay of Lazard Brothers and Co, have been appointed non-executive directors of YORK TECHNOLOGY, manufacturers of fibre analysis instruments in which Lazard Brothers and Co. and clients of Baring Brothers and Co, Hambrecht and Quist Inc and Morgan and Grenfell and Co, as shareholders.

★

Mr J. W. Gordon, formerly head of planning and appraisal division, manufacturing-oil and gas co-ordination, Shell Internationale Petroleum Mij, BV, The Hague, will succeed Mr M. J. Waale, as chemicals co-ordinator, SHELL INTERNATIONAL CHEMICAL CO, London, upon Mr Waale's retirement at the end of October.

★

Mr John Hancock, international marketing manager, Shell Chemicals (UK) has been appointed managing director of THERMO-COMFORT, a Shell company.

★

Mr Richard Davies has been appointed managing director of HARRISON COWLEY ADVERTISING (MIDLANDS). He has been with Harrison Cowley Advertising in Bristol for the last five years, joining the board in December 1982. Also joining the HCA (Midlands) board are Mr Richard Hooley, and Mr Tony Hathaway; both from account directors. Mr David Elliot becomes deputy chairman, and remains chief executive.

★

Mr Herbert J. Leadley has been appointed a non-executive director of WARING AND GILLOW (HOLDINGS). He succeeds Mr Stuart Young, who became chairman of the British Broadcasting Corporation last October. Mr Leadley was a senior partner of Deloitte Haskins and Sells until his retirement on April 30.

VONTOBEL EUROBONDINDIZES
WEIGHTED AVERAGE YIELDS
PER 22 MAY 1984

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	13.35	13.51	13.51	11.52
DM (Foreign Bond Issues)	7.47	7.48	7.49	7.14
HLF (Bearer Notes)	7.56	7.58	8.11	7.56
Can$ Eurobonds	13.61	13.96	13.96	12.60

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Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on 21st May, 1984, U.S.$89.67

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

Dry well depresses BHP and Weeks

By Lachlan Drummond in Sydney

THE SHARE prices of Broken Hill Proprietary (BHP) and Weeks Australia, two listed direct participants in the Jabiru offshore oilfield have dropped considerably after a disappointing result from the Jabiru two appraisal well.

After suffering sharp falls in Monday's trading on rumours of a dry result, BHP shares were cut by 55 cents to A$9.80 on Tuesday and Weeks by 35 cents to A$1.05 after BHP announced that no hydrocarbons had been encountered even though the current depth of the well was below the oil zone found in the original Jabiru No 1A drilled in August last year.

The drop in the BHP share price on Tuesday took its two-day losses to 80 cents a share — representing an A$360m reduction in its market capitalisation to a shade over A$4.4bn (U.S.$3.95bn) which compares with a peak capitalisation earlier this year of just under A$5bn. Yesterday BHP's shares rose slightly to close up 10 cents at A$9.90.

At Weeks Australia the loss came to 55 cents for the last five trading days, which has lopped the capitalisation of its ordinary shares from nearly A$300m to almost A$190m.

On the basis of Weeks 10.3 per cent stake, the market's estimates of the cost of failure is A$1.1bn, while on BHP's A$360m loss on capitalisation for its 50 per cent share it comes back to A$720m.

Fuji Photo Film hit by VCR tape price cutting

BY YOKO SHIBATA IN TOKYO

FUJI PHOTO FILM, Japan's largest manufacturer of photographic film, with 70 per cent of the market, suffered from severe price cutting competition in video cassette recorder (VCR) tapes in the half year to April 20.

Parent company net profits fell by 10.5 per cent to Y21.4bn ($91.7m) and pre-tax profits by 4 per cent to Y44.7bn on sales of Y273.9bn, up 2.3 per cent. Net profits per share slipped to Y57.96 from Y64.78 but the interim dividend is raised from Y4.25 to Y5.25.

The value of sales of VCR tapes fell by 20 per cent in the period despite a 15 per cent increase in volume. As a result, sales by the magnetic tape sector, including VCR and audio tapes, fell by 7.4 per cent to account for 13.3 per cent of the total. Photographic film sales rose by 3.3 per cent to account for 44.2 per cent.

The company say that the deterioration in magnetic tape earnings outweighed the favourable effects of cost cutting and higher revenues from using surplus funds.

Heavy price-cutting competition is expected to continue in the VCR tape market in the current half year but the company has not altered its full year earnings targets. Pre-tax profits are forecast at Y95bn, up 2 per cent, net profits at Y46bn, down 6.5 per cent, and sales at Y600bn, up 10 per cent. The company still intends to pay a final dividend of Y5.25 for a total of Y10.5 against Y9.5.

Earnings fall at Hattori Seiko

BY OUR TOKYO STAFF

HATTORI SEIKO, the sales arm of the Seiko watches and clocks group, which is the world's largest manufacturer of timepieces, has reported a 16.7 per cent gain in parent company pre-tax profits to Y7.1bn ($30.4m) for the year to March. However, after doubled corporate tax net profits declined by 41 per cent to Y2.9bn and net profits per share fell to Y30.40 from Y51.78. Sales were 3.3 per cent higher at Y361.9bn.

Sales in the watch sector grew by just 1.5 per cent to account for 72 per cent of the total despite a rise in volume sales of 17 per cent. On the other hand sales by the non-watch sector, including computer related products (up 15 per cent), fared well to account for 16.2 per cent of the total against 14.7 per cent in the previous year.

The improvement in pre-tax profits was attributed to the company's improved financial standing after a reduction in borrowings.

Hattori Seiko plans to integrate its sales subsidaries and streamline its sales network in the current year, and the company foresees a 5.1 per cent improvement in pre-tax profits to Y7.5bn, on sales up 3.6 per cent to Y375bn.

● Citizen Watch, Japan's second largest watch manufacturer, has reported parent company net profits rising to Y5.89bn for the year to March, compared with Y4.8bn previously. Sales also rose, by 29 per cent, to Y127bn and pre-tax earnings were up to Y10.74bn from Y8.32bn.

Fujisawa Pharmaceutical down

BY OUR TOKYO STAFF

FUJISAWA PHARMACEUTICAL suffered an 8.7 per cent fall in parent company net profits to Y10.9bn ($46.7m) in the year to March. Pre-tax profits were down 11 per cent to Y27.9bn on sales of Y203.7bn, up 2 per cent. Net profits per share were Y44.46, against Y51.68.

The company was affected by a government cut in medication prices in the national health care service (including a March 1 1984 drug price revision), and was hit by a setback in sales of high profit margin, antibiotics. Last year's industrial espionage scandal also depressed sales. As a result, sales in the antibiotics sector declined by 10 per cent to account for 43.4 per cent of the total.

The lower antibiotic sales, additional expenditure to compensate inventories at wholesalers, and higher research and development expenditure, all dragged down earnings, says the company.

The company expects to receive the full brunt of the drug price revision in the current year and also foresees heavier sales competition. Ciba-Geigy is to withdraw its products from Fujisawa to distribute them through its own sales networks and this will cut Fujisawa's sales by Y5bn. Full-year sales are projected at Y240bn, up 1 per cent.

A shortage of higher-margin in-house developed products and higher research and development spending are also expected to drag down earnings. Pre-tax profits are projected at Y22bn, down 21 per cent, and net profits at Y7.8bn, down 8.8 per cent.

Ezaki Glico warns on effects of harassment

By Robert Cottrell in Tokyo

EZAKI GLICO, the Japanese confectionery manufacturer whose president was recently kidnapped, says its profits are likely to be significantly reduced by a sustained campaign of criminal harassment against the firm.

The company announced yesterday that unconsolidated net profits of Y6,035bn ($25.9m) were earned in the year to March 1984, but for the current year profits were likely to fall to Y5bn at best.

Anonymous letters sent to Japanese newspapers on May 10 threatened that Ezaki Glico products on supermarket shelves would be poisoned with cyanide. Most retailers promptly withdrew Glico goods from sale. Ezaki Glico says that, as a result, it has cut back production of all product lines. Output at three milk products factories has been reduced by 30 per cent, while part-time workers have been laid off at a further 14 plants. The company says its sales and profits for the current fiscal year will depend largely on how this situation develops.

The police say they are baffled by the campaign against the company which began in March when Mr Katsuhisa Ezaki, its president, was kidnapped naked from his bath. He escaped after three days, apparently unable to give police any "leads" to his abductors. During April, arson attacks were twice made on company premises, and threatening letters were sent. According to a Japanese newspaper report, the would-be poisoners also wrote last week to a supermarket chain executive asking him to restore Ezaki Glico products to his shelves so that the poisoning campaign could get under way.

Those investigating the case apparently believe their best chance of catching Ezaki Glico's tormentors lies in tracing the typewriter on which the various letters were written.

JAPANESE COMPANY RESULTS

FUJI HEAVY INDUSTRIES — SMALL CARS/AIRCRAFT

Year to	Mar'84 Y	Mar'83 Y
Revenues (bn)	603	580
Pre-tax profits (bn)	28.4	34.3
Net profits (bn)	15.18	14.33
Dividend	8	8
PARENT COMPANY		

C. ITOH FUEL — OIL PRODUCTS TRADING

Year to	Mar'84 Y	Mar'83 Y
Revenues (bn)	375	405
Pre-tax profits (bn)	3.09	4.01
Net profits (bn)	1.43	1.55
Net per share	29.47	35.16
Dividend (total)	7.5	7.5
PARENT COMPANY		

KUMAGAI GUMI — CONSTRUCTION

Six months to	Mar'84 Y	Mar'83 Y
Revenues (bn)	291	283
Pre-tax profits (bn)	12.21	15.24
Net profits (bn)	6.32	6.62
Net per share	18.11	19.25
PARENT COMPANY		

KURARAY — VINYLON MAKER

Year to	Mar'84 Y	Mar'83 Y
Revenues (bn)	206	193
Pre-tax profits (bn)	2.9	2.4
Net profits (bn)	1.27	1.02
Net per share	5.71	4.77
Dividend (total)	4	4
PARENT COMPANY		

MINEBEA — BEARINGS

Six months to	Mar'84 Y	Mar'83 Y
Revenues (bn)	60	46
Pre-tax profits (bn)	3.51	2.54
Net profits (bn)	1.81	1.59
Net per share	8.41	8.57
PARENT COMPANY		

OLYMPIC — FISHING TACKLE

Six months to	Mar'84 Y	Mar'83 Y
Revenues (bn)	5.9	3.95
Pre-tax profits (m)	393	105
Net profits (m)	†623	100
Net per share	†32.82	5.28
Dividend	—	—
PARENT COMPANY		

† Loss.

TOSHIBA ENGINEERING & CONSTRUCTION — PLANT ENGINEERING

Year to	Mar'84 Y	Mar'83 Y
Revenues (bn)	101	93
Pre-tax profits (bn)	5.28	4.99
Net profits (bn)	2.18	2.01
Net per share	45.40	57.95
Dividend (total)	12	10
PARENT COMPANY		

TOYO ENGINEERING — CHEMICAL PLANT CONSTRUCTION

Year to	Mar'84 Y	Mar'83 Y
Revenues (bn)	142	145
Pre-tax profits (bn)	13.45	15.53
Net profits (bn)	7.41	8.04
Net per share	61.24	79.79
Dividend (total)	8	8
PARENT COMPANY		

UK COMPANY NEWS

Robert Moss profits double to £1.6m and dividend up 25%

TAXABLE PROFITS more than doubled from £715,000 to £1.6m at Robert Moss in the year to end-March 1984 and the total dividend is being lifted by 25 per cent to 2.5p by a final payment of 1.7p.

Moss, a manufacturer and distributor of plastic injection mouldings, says that some of the increase in turnover, up from £6.77m to £13.12m, and profit can be accounted for by a full 12 month contribution from North West Plastics and Toolmak in Manchester, against three and a half months previously.

Profits at the interim stage were ahead at £710,000, against £325,000, and the dividend was increased from 0.66p to 0.8p.

The year saw positive results from the Kidlington factory which was due, the directors say, to more aggressive marketing. Growth at Banbury has been "particularly rapid" and a new and larger factory has been commissioned on an adjoining trading estate.

The directors add that improvements to marketing and product development at Manchester are continuing.

Mr M. McLean, the chairman, is confident that the company will see further improvements in its subsidiaries and its commitment to the European market will bring added potential to what has been a substantially UK business.

Net profits for the year came out at £1.17m (£567,000), after tax of £428,000 (£148,000), and earnings per 10p share rose to 8.4p (4.88p). There was an extraordinary credit of £111,000 (debit £61,000).

● comment

Robert Moss is beginning to reflect the image of Murray McLean, the South-African businessman who took control nearly three years ago. He is showing what can be done at the unglamorous end of the plastics business where low technology is coupled with low volumes. The first step was to improve margins at the original Kidington factory and at Banbury, now these businesses are being expanded by more aggressive marketing. A new £150,000 catalogue has been launched and an office opened in France, with others planned in Holland and in West Germany. The group is also getting to grips with the more consumer-orientated business in Lancashire, bought in late 1982, accounting for about half of turnover, where there is still room for improving costs and marketing. Mr McLean is also casting around for acquisitions in related businesses—this little company still has room to grow without provoking the bigger operators in this market who are more interested in the larger production runs. In the unlikely event that nothing is acquired this year, the group should make at least £2m pre-tax, putting the shares, unchanged at 95p, on a prospective p/e of about 11, fully diluted, assuming a 30 per cent tax charge.

Delyn hoists dividend as profits jump 28%

Delyn Packaging lifted pre-tax profits for the year to January 29 1984 by 27.6 per cent and is hoisting its dividend payment by 66.7 per cent.

An improvement from £248,000 to £296,000 in second half profits left the full year outcome ahead from £250,000 to £319,000 on a 6.8 per cent sales rise to £3.88m.

In addition the directors report that turnover for the first quarter of the current 12 months is better than that for the corresponding period.

Operating profits for 1983-84 were £348,000 (£305,000) before interest paid of £29,000 (£55,000). However, with a tax credit this time of £50,000 (£5,000) the net balance came through at £369,000 (£255,000).

The cost of dividends, at £50,000 (£30,000), was equal to an extraordinary credit which arose from the release of a provision for 1981-82 for a loss on cancellation of a leasing contract no longer required.

Earnings per 20p share are shown to have risen by 44.9 per cent from 12.79p to 18.54p and the final dividend is 1.5p for a 2.5p (1.5p) total.

Mr Geoffrey Fisher, chairman, reports that following the opening in April 1983 of the new factory at Caerphilly, the company has been successful in increasing the sales of plastic thermo-formed packaging, particularly for the food industry, and currently the company has ranges of products which are finding increasing demand from major food manufacturers and food retailers.

The two areas of group activity are showing increasing strength from which continued growth can be expected in the current year, he adds.

Cronite moves back into the black at six months

A STRONG recovery has been achieved by Cronite Group in the six months to March 31 1984, with the company bouncing back into the black and further profits forecast for the second half of the current year.

On the back of a £2.44m improvement in turnover to £7.1m and increased efficiency in each of the group's operating subsidiaries, a £45,000 profit is reported for the first half. This compares with losses of £586,000 for the corresponding period and £1.23m for the last full year.

The mid-term profit was struck after interest of £165,000 (£150,000) and there is again no tax charge, leaving earnings per 25p share at 0.8p compared with a 10.2p loss. However, the interim dividend is once more omitted, the last payment made being a 1.5p total in respect of 1981-82.

Following the decision to retain the business of Cronite Precision Castings, there is an extraordinary write-back of £200,000

The group's activities include processing of alloys, nickel alloy manufactured products and steel stockholding.

Sidlaw tops £3m and pays 1p more

Sidlaw Group is raising its interim dividend by 1p to 6p net on the back of a £744,000 rise in pre-tax profits to £3.17m for the six months ended March 31, 1984.

Turnover for the period expanded from £20.48m to £22.76m—the group provides services to the North Sea oil and gas industry and also has interests in jute and synthetic yarn spinning.

The directors say that in a sound second half the continuing momentum in textiles and the strength of the established oil services business should fully compensate for what is likely to be a nil contribution for the full year from the associate, Skean Dhu.

The associate's results have been affected by two new hotel openings in 1983 and the financing cost, prior to consideration, of a promising investment in Drexel Oilfield Services (HK).

Trading profits for the first six months emerged at £3.13m, compared with £2.4m, and broke down as to oil services £2.35m (£2.02m), textiles £884,000 (£377,000) and other £101,000 loss (nil).

Pre-tax profits were after deducting interest charges of £27,000, against a previous £170,000 and adding in a £66,000 (£196,000) share of associated company profits.

It is pointed out that under the heading "other" were deductions for the net operating costs from January 1 of the two new subsidiaries, Gate Microsystems and United Sterling (Far East), acquired in March and April respectively.

Tax rose from £787,000 to £1.26m after which earnings emerged at 21.92p (17.79p) per 50p share.

Over the past year Drexel has suffered from a depressed oil services equipment market throughout the world, and no better than a break-even result was expected

● comment

Sidlaw's strong growth over recent years looks like slowing this year, though longer-term prospects are still good. The oil services division is taking full advantage of increased activity in the North Sea and as current exploration work turns into production Sidlaw should continue to benefit. The textile side repeated its cracking performance of the second half of 1982-83, in part thanks to the disappearance of some European competitors. There are going to be some adverse factors appearing in the second half though. The cost of financing the £5m purchase of a 50 per cent stake in Drexel, an international oil services company, of say £250,000 will have no profits to be set against. The investment in Gate Microsystems is also likely to produce a negative short term return and the 31 per cent owned Skean Dhu hotel group will make a second half loss because of the costs of opening two new hotels. So full year profits could reach £6.75m (£6.0m) giving a prospective p/e on the company's estimate of a 40 per cent tax charge, of about 9½ on the shares at 450p, down 20p yesterday. They look fairly rated.

Osprey (Holdings)

Osprey (Holdings) of Enfield wishes to make it clear that it has no relation with Osprey Holdings, a Liberian company listed yesterday among those subject to winding up orders made in the High Court.

Redfearn Glass £791,000 losses—sales fall £3.7m

PRE-TAX losses at Redfearn National Glass, glass and plastic container manufacturer, amounted to £791,000 for the 26 weeks ended April 1 1984, compared with £982,000 last time, and the interim dividend is again omitted. Sales were down, also, from £31m to £27.32m.

Although the results were disappointing, the directors say they must be judged against the background of disturbance to production at both the York and Barnsley plants.

They point out that the most critical phases of concentrating production at Barnsley have now taken place, and there is an increasing number of more positive factors influencing the company's trading outlook.

For the whole of the 1982-83 year losses totalled £3.73m, compared with profits of £576,000, and was due to price cutting of glass containers, as well as a contraction in volumes sold. The directors then said they were compelled to close the York factory with estimated closure costs of £5.4m.

Trading losses for the 26 weeks amounted to £186,000, against £350,000 previously, and the pre-tax result was after interest charges of £605,000 (£622,000), and redundancy costs last time of £10,000.

There was no tax again but depreciation and furnace renewal expenditure amounted to £1.23m, compared with £1.92m.

Loss per 25p share is given as 13.1p (16.25p).

The directors say that progress continues at R. N. Plastics, which recorded a small profit for the six months.

Glass sales for the period were lower at £24.3m (£28.3m). The company recognised at an early stage that concentration of production at Barnsley could not be achieved without a certain loss of sales volume and market share.

In the event, and because of the scale of disruption to production, particularly in the second quarter, there was a larger drop in production, and therefore sales, than had been envisaged.

The problems, however, are being overcome successfully, they add.

Production closure on the York site was accomplished by last Christmas and price increases, negotiated with customers were applied between October and December although competitive activity remains strong.

Confirming the company's earlier views, in-house manufacturer of PET containers—sales totalled £3m (£2.7m) for 26 weeks—by soft drink companies also increased and the overcapacity has resulted in some price weakening. Against this background, R. N. Plastics operated profitably.

The company's operating performance has also improved

● comment

At face value Redfearn's first half results are very disappointing but there are a number of factors which suggest that there may be light at the end of the tunnel. In the first place there were a number of extraordinary elements to the first half — the major furnace rebuilding exercise and the disruptions caused by the closure at York and concentration of production at Barnsley, the effects of which are now past. Then there is the fact that the plastics business is now making profits for the first time. Other important features are that the latest price rise seems to be sticking and that good progress has been made in reducing stocks. The rationalisation at Barnsley means that the company can now compete on an equal footing with its more efficient competitors. All this points to the first positive signs of a recovery — and even the possibility of a small profit this year. At 93p, down 7p, the company is capitalised at £5.6m.

UK COMPANY NEWS

Irish Distillers ahead by 11% to I£5m at halfway

AN INCREASE of 11.2 per cent from I£4.66m to I£5.16m in taxable profits is reported by Irish Distillers Group for the half-year to March 31 1984. Mr M. J. Killeen, the chairman, says this is in line with the estimate given at last month's extraordinary general meeting held to approve the acquisition of BWG.

The acquisition of BWG, which became unconditional on April 16, is not reflected in the group's profits for the half-year, but will be reflected in the out-turn for the full year when the appropriate proportion of its profits will be included.

An unchanged dividend of 1.5p will be paid on the ordinary share capital enlarged by last year's one-for-four rights issue and also by the BWG acquisition.

After a higher tax charge, up from £354,000 to £410,00, there is a fall of 9.6 per cent in earnings per share which is calculated after allowing for the rights issue.

Group turnover in the opening half was down from £71.13m to £69.25m. The pre-tax figure was after interest charges down from £1.93m to £1.25m and depreciation up from £1.09m to £1.26m. After minority debits of £8,000 (£2,000), attributable profits came out at £4.75m.

Mr Killeen says sales on the home market appear to have stabilised within a much reduced spirit market at over one-third lower than the market in 1979. Export depletions continue to grow, although this improvement is not reflected in shipments due to seasonal factors.

As stated at the annual meeting, the board, says Mr Killeen, is planning for further growth this year, and the first signs of an upswing in consumer demand are being confirmed in the group's main export markets.

He adds: "Thus, while not wishing to make a prediction of the outcome for the full year, the board looks forward to further improvement in profitability."

● comment

Despite the sluggishness of the sales performance, Irish Distillers is fairly relaxed about the turn of events. Home demand has at last bottomed out — so at least the latest consumption figures suggest —and while Northern Ireland remains a difficult market exports to Britain and the U.S. are good. The fact that interim sales are off a shade owes more to the irregularities of shipments than any weakness in demand. So, aided by lower interest charges, IDG's full year profits look on the way to I£11m or so. Brooks Watson will make a maiden contribution in the closing half and with a bit of luck should be good enough to avoid earnings dilution. Initially that acquisition looked slightly out of step, but it is the Republic's leading cash and carry business and a growing IDG customer. So there is an element of protectionism in the purchase, though vertical integration might be the preferred phrase at the Bow Street Distillery. Anyway it does give a broader home base. At 160p the shares stand on a p/e of 11.7 and the dividend will probably be lifted to around 7p (Irish).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: ASEA AB, J. A. Devenish, Gomme, Manor Estates, National Commercial Banking Corporation of Australia, Scottish Investment Trust, Spencer Clark Metal Industries, Wolverhampton and Dudley Breweries.

Finals: Cater Allen, Dartand Stamping, Extel, Fine Art Developments, A. Goldberg, Philip Hill Investment Trust, Minster Assets, Plessey, H. Samuel, Sandhurst Marketing, Sterling Guarantee Trust, TR Natural Resources Investment Trust, Weeks Associates, Young and Co's Brewery.

FUTURE DATES

Interims—

Johnson and Firth Brown	June 6
Kent (John)	May 25
M.M.T. Computing	May 25
Pericom	June 11

Finals—

British-Borneo Petrlm. Synd....	May 25
Capital and Counties	May 29
Ecobric	June 4
Ferguson Industrial	June 12
James (Maurice)	May 29

Automotive makes £2m in first quarter

ALL Automotive Products' factories in the UK, France, Italy and U.S. were busy in the opening months of the current year, Mr George Pears, the chairman, told the annual meeting.

Sales volume in the first four months exceeded the comparable period last year when this vehicle and aircraft equipment manufacturer was on a four-day working week.

Profits for the first quarter were some £2m compared with a break-even situation in the corresponding period last year. Programmes for the second quarter indicated a successful first half. He believed there might be some slowing down in the rate of growth in the second half.

Mr Pears said the board was reducing its cost base and the work was proceeding smoothly as planned. All but one of the UK operations were trading profitably and the overseas companies were trading strongly.

The board believed the worst was behind them and that 1984 would see a further step in the company's return to profitable health. It was also hoped to return to the former level of dividend payments for the year ending December 1984.

Allied Irish up to expectations with 24% rise to I£85m

A 24 PER CENT advance in taxable profits from I£68.9m to I£85.4m was achieved by Allied Irish Banks in the year to end-March 1984.

The result was virtually in line with directors' expectations at midway when they anticipated a similar profit in the second half to the £42m (£29.6m) achieved in the opening period.

Group operating profits amounted to £84.7m (£65.2m), and the taxable result included a £100,000 (nil) share of profit of a non-consolidated subsidiary and a lower contribution of £600,000 (£3.7m) from associate companies.

An effectively higher final dividend of 5p, against 4.09p, is recommended, which raises the total to 9.5p (8.18p).

After tax, including the levy on banks, of £34.9m (£29.2m), net profits amounted to £50.5m (£39.7m) and earnings per share were 32p (26.8p).

Minorities accounted for the same at £100,000, and after dividend costs of £15m (£12.1m) and a transfer to reserves, the retained profit is £35.3m (£26.8m).

Total assets at the year end were £1.4bn higher at £7.45bn and shareholders funds were £99m higher at £427m.

● comment

A 24 per cent increase in pre-tax profits is not at all bad going for Allied Irish Banks (AIB) given the problems of the Irish economy. The merchant banking arm had to provide for some large bad debts, mainly Irish, and total bad debts were up I£4m to I£31.2m. The Insurance Corporation of Ireland had a rather disappointing year—a poor underwriting result meant a strengthening of reserves—just as AIB lifted its ownership from 25 per cent to 100 per cent. It contributed about as much as a subsidiary as it had the previous year as an associate. Despite the economic problems, the domestic retail banking side had a good year, but even so around two-thirds of the total profit rise came from outside the Republic. Non-Republic earnings are now about one-third of the total and that proportion should rise again in the current year as the 43 per cent owned U.S. bank—First Maryland—makes a first time contribution. AIB's move into the U.S. seems to have been better timed than some of its UK rivals, while it is already more of a financial services group than the clearers. The historic p/e of 6, on the shares down 4p at 156p, is not demanding.

Walter Duncan

Pre-tax profits of Walter Duncan and Goodricke jumped from £546,402 to £1.26m for 1983. However, after tax and extraordinary items the advance was reduced to one of £60,000 to £553,000. There has also been a £200,000 transfer to reserves for building maintenance this time.

Earnings per £1 share are shown sharply ahead from 28.15p to 58.8p and the dividend payment is held at 12p.

The company's activities include warehousing distribution and tea marketing; tea agencies and general trading; banking services; property, etc.

Norton rights

Of the 44,628,661 new ordinary shares offered by W. E. Norton Holdings by way of rights, 41,921,636 (approximately 93.9 per cent) have been taken up by shareholders.

A copy of this Prospectus has been filed with the Registrar of Companies in Bermuda and (having attached thereto the documents specified in paragraph 6(d) of Appendix III) has been delivered to the Registrar of Companies in England for registration.

This Prospectus includes particulars given in compliance with the Regulations of the Council of The Stock Exchange in London for the purpose of giving information with regard to Quadrant Intercontinental Fund Limited ("the Fund"). The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

Application has been made to the Council of The Stock Exchange in London for the whole of the share capital of the Fund to be admitted to the Official List.

The subscription lists for the shares now being offered will open at 10 a.m. (London time) on 22nd June, 1984 and will close at any time thereafter on the same day. Applications should be sent so as to be received not later than 10 a.m. (London time) on that day.

QUADRANT INTERCONTINENTAL FUND LIMITED

(Incorporated in Bermuda on 22nd May, 1984 under the Companies Act 1981 of Bermuda (as amended) as an open-ended investment company with limited liability).

Manager

Quilter International Management Limited

OFFER FOR SUBSCRIPTION

of

European Shares, North American Shares and Far Eastern Shares at U.S.$1.02 per share payable in full on application

QUADRANT INTERCONTINENTAL FUND LIMITED

No person receiving a copy of this Prospectus and/or an application form in any territory other than the United Kingdom, Bermuda or Guernsey may treat the same as constituting an invitation to him to purchase or subscribe shares nor should he in any event use such form unless in the relevant territory such an invitation could lawfully be made to him or such form could lawfully be used without compliance with any registration or other legal requirements. Any person outside the United Kingdom, Bermuda or Guernsey wishing to make an application hereunder should satisfy himself as to the observance of the laws of any relevant territory including obtaining any requisite governmental or other consents or observing any other requisite formalities.

The shares in the Fund have not been registered under the United States Securities Act of 1933 and may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States person. For this purpose, United States person includes a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America and a corporation organised under the laws of the United States of America or of any state, territory or possession thereof.

The Bye-laws of the Fund give powers to the Directors to require the redemption or transfer of shares in the Fund held by any person in breach of any law or requirement of any country or governmental authority or by any person or persons in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered.

Shares may not be acquired or held by any person resident for tax purposes in Guernsey, Alderney or Herm otherwise than as nominees or trustees for individuals or persons not so resident.

All references to "dollars", "cents" and the sign "$" in this document are, except where the context otherwise requires, to the currency of the United States of America.

Any information given or representations made by any dealer, salesman or other person and not contained herein should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this document nor the offer, issue or sale of shares shall, under any circumstances, constitute a representation that the information given in this document is correct as of any time subsequent to the date hereof.

This document is issued solely for the purpose of the initial offer of European Shares, North American Shares and Far Eastern Shares in the Fund and does not constitute an offer of shares for subscription after 22nd June, 1984. A separate prospectus will be issued for subsequent offers and copies thereof will be available from Quilter International Management Limited.

Potential subscribers of shares in the Fund should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion or disposal of shares in the Fund.

Copies of this document with an application form may be obtained from:

Quilter Goodison & Co.,
Garrard House, 31/45 Gresham Street,
London EC2V 7LH

The Bank of Bermuda (Guernsey) Limited,
Bermuda House, St. Julian's Avenue, St. Peter Port,
Guernsey, Channel Islands

The Bank of Bermuda Limited,
Bank of Bermuda Building, Front Street,
Hamilton 5-31, Bermuda.

SHARE CAPITAL

As at the date of this document 119,995 shares had been allotted as European Shares nil paid to Quilter Goodison & Co. at the price of $1.02 per share for renunciation as part of the initial offer of shares and 1 share had been allotted as a European Share fully paid to each of the Directors of the Fund at the price of $1.02 per share (together comprising the minimum issued share capital of the Fund). The authorised share capital of the Fund is $2,000,000 divided into 20,000,000 shares of 10 cents par value each. Such shares may be issued by the Directors as European Shares, North American Shares or Far Eastern Shares. The maximum number of shares which may be subscribed pursuant to this offering is 15,000,000.

INDEBTEDNESS

As at the date of this document the Fund has no loan capital or term loan outstanding or created but unissued and none of its property or assets is subject to any mortgage or charge and the Fund has no borrowings or other indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

Dated 23rd May, 1984

DIRECTORS AND ADMINISTRATION

DIRECTORS

Robert Adrian Cowell, *Chairman*, Garrard House, Gresham Street, London EC2V 7LH. Aged 47. Partner, Quilter Goodison & Co. British.

Donald Peter Lines, *President*, Bank of Bermuda Building, Front Street, Hamilton, Bermuda. Aged 53. Chief General Manager, The Bank of Bermuda Limited. Director, The Bank of Bermuda (Guernsey) Limited. British.

Frank Mutch, *Vice-President*, Clarendon House, Church Street, Hamilton, Bermuda. Aged 48. Partner, Conyers Dill & Pearman. British.

Barrie Catchpole, Garrard House, Gresham Street, London EC2V 7LH. Aged 40. Partner, Quilter Goodison & Co. British.

Roger Ronald Matthews, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands. Aged 36. Assistant Manager, The Bank of Bermuda (Guernsey) Limited. British.

MANAGER

Quilter International Management Limited, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

INVESTMENT ADVISER FOR EUROPE AND NORTH AMERICA

Quilter Goodison & Co., Garrard House, 31/45 Gresham Street, London EC2V 7LH

INVESTMENT ADVISER FOR THE FAR EAST

G. T. Management (Asia) Limited, 1007-1011 Hutchison House, 10 Harcourt Road, Hong Kong.

JOINT CUSTODIANS AND BANKERS

The Bank of Bermuda Limited, Bank of Bermuda Building, Front Street, Hamilton, Bermuda.
The Bank of Bermuda (Guernsey) Limited, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

STOCKBROKERS

Quilter Goodison & Co., Garrard House, 31/45 Gresham Street, London EC2V 7LH.

AUDITORS

Coopers & Lybrand, Abacus Chambers, Smith Street, St. Peter Port, Guernsey, Channel Islands. Chartered Accountants.

SECRETARY

Thomas Haskins Davis, C.A., Bank of Bermuda Building, Front Street, Hamilton, Bermuda.

REGISTRAR

The Bank of Bermuda Limited, Bank of Bermuda Building, Front Street, Hamilton, Bermuda.

SUBSCRIPTION AND REDEMPTION AGENT

The Bank of Bermuda (Guernsey) Limited, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.

REGISTERED OFFICE

Bank of Bermuda Building, Front Street, Hamilton, Bermuda.

LEGAL ADVISERS TO THE FUND IN BERMUDA

Conyers, Dill & Pearman, Clarendon House, Church Street, Hamilton, Bermuda.

LEGAL ADVISERS TO THE FUND IN GUERNSEY

Collas, Day & Rowland, Manor Place, St. Peter Port, Guernsey, Channel Islands.

LEGAL ADVISERS TO THE ISSUE

Slaughter and May, 35 Basinghall Street, London EC2V 5DB.

PRINCIPAL FEATURES

Quadrant Intercontinental Fund Limited is an open-ended investment company incorporated in Bermuda on 22nd May, 1984. Shares are being offered initially in three classes: European Shares, North American Shares and Far Eastern Shares.

A separate fund (an "Equity Fund") will be established in respect of each class of share in the Fund. The assets within each Equity Fund will be invested primarily in shares in companies established in the geographical area to which such Equity Fund relates; namely, Europe, North America or the Far East.

The objective of the Fund is to enable investors to benefit from the capital appreciation of the professionally managed portfolio of investments which will be held within each Equity Fund.

Investors may, subject as provided below, from time to time convert all or part of their shares of one class into shares of another class.

Shares of each class are being offered initially at the price of $1.02 per share which price includes a sales commission of 2 cents per share, which will be payable to the Manager. The Manager will pay brokerage to stockbrokers, recognised banks, solicitors, accountants and licensed dealers in securities on applications made hereunder bearing their stamp at the rate of 2 cents per share on all shares issued pursuant to such applications.

The minimum initial subscription for each applicant in respect of each class of share is 2,500 shares.

Following the initial offer, shares of each class will be available for issue weekly at the Subscription Price then prevailing, plus a sales commission of up to 5 per cent. of the Subscription Price, and may be redeemed at weekly intervals at the Redemption Price then prevailing.

INVESTMENT OBJECTIVES AND POLICY

The objective of the Fund will be to provide capital appreciation, without regard to immediate income, by investing the assets of each Equity Fund primarily in equity securities in the specific geographical area to which it relates. There will be no limitation on the size of company in which investments may be made, and, subject to the limitations mentioned in "Investment Restrictions" below, investments may be made in unlisted securities, partly paid shares, options, or convertible bonds and may be concentrated in a single industry or single economy within the specific geographical area.

The assets of the Equity Fund for the European Shares may from time to time be invested in securities of United Kingdom companies.

The assets of the Equity Fund for the North American Shares may from time to time be invested in securities in Canadian companies, although the Directors expect that there will be a predominance of investments in the United States of America.

The assets of the Equity Fund for the Far Eastern Shares will be invested mainly in Japan, but may also from time to time be invested significantly in other Pacific Basin areas.

While the policy of the Directors is that the assets of each Equity Fund should be kept invested in pursuit of the Fund's objective, cash reserves may be held from time to time to meet investment opportunities as they arise. In addition, general market conditions may make it advisable for an Equity Fund to maintain significant liquidity in the form of cash or bonds pending reinvestment.

It is not the intention of the Directors to take management control of any company in which investments are made.

INVESTMENT MANAGEMENT

The Directors of the Fund are responsible for the overall investment policy of the Fund.

The Fund has appointed Quilter International Management Limited ("the Manager") as its manager, by an agreement dated 22nd May, 1984, with responsibility for the selection of investments and the day-to-day management of the Fund. The Manager was incorporated in, and under the laws of, Guernsey on 17th May, 1984 and has an issued and paid up share capital of £10,000. The share capital of the Manager is wholly-owned by the partners from time to time of Quilter Goodison & Co. The appointment of the Manager is for a period of three years and will continue thereafter unless and until determined by either party on giving the other not less than six months' written notice. In addition to the sales commission referred to above under "Principal Features", the Manager will be entitled to receive from the Fund a quarterly management fee (for details see "Charges and Expenses" below).

The Chairman of the Board of Directors of the Fund is Mr. R. A. Cowell, who has been a partner of Quilter Goodison & Co. for 16 years. The President of the Fund is Mr. D. P. Lines, who has been Chief General Manager of The Bank of Bermuda Limited for 2½ years. The Vice-President of the Fund is Mr. F. Mutch, who has been a partner of Conyers, Dill & Pearman for 3 years. The other Directors of the Fund are Mr. B. Catchpole, who has been a partner of Quilter Goodison & Co. for 8 years and Mr. R. R. Matthews who has been an Assistant Manager of The Bank of Bermuda (Guernsey) Limited for 3½ years, both of whom are also directors of the Manager. The other directors of the Manager are Mr. D. J. Davies, a partner of Quilter Goodison & Co., Mr. R. Meggy, Managing Director of The Bank of Bermuda (Guernsey) Limited and Mr. G. R. Rowland, a partner of Collas, Day & Rowland.

The Manager has appointed Quilter Goodison & Co. as its investment adviser in relation to the selection of investments for the Equity Funds in respect of the European Shares and the North American Shares. The appointment of Quilter Goodison & Co. is for a period of three years and will continue thereafter unless and until determined by either party on giving the other not less than six months' written notice.

Quilter Goodison & Co. is based in London and is a broking member of The Stock Exchange. It is constituted as a partnership and traces its origins to several constituent firms which were formed in the eighteenth and nineteenth centuries. The firm currently has 29 partners and employs approximately 250 staff. Agreement in principle has been reached whereby Skandia International Insurance Corporation will acquire a 29.9 per cent. equity interest in Quilter Goodison & Co. Skandia International Insurance Corporation is a wholly-owned subsidiary of Skandia Insurance Company Limited, which is one of the major European insurance companies. Quilter Goodison & Co. has announced that the partnership intends to incorporate after April 1985.

Quilter Goodison & Co. provides broking and related services to individual investors, institutional investors and corporate clients in the United Kingdom and overseas, and manages and advises, on an exclusive basis, portfolio funds valued at approximately £1 billion. Quilter Goodison & Co. also advises on the investments of six United Kingdom authorised unit trusts which are managed by Quilter Management Company Limited, a company wholly-owned by the partners from time to time in Quilter Goodison & Co., namely Quadrant General Fund, Quadrant Income Fund, Quadrant International Fund, Quadrant Recovery Fund, The Wickmoor Fund and The Wickmoor Dividend Fund, the total assets of which are currently valued at approximately £17 million.

Quilter Goodison & Co.'s International Department, which was established in 1971 and currently comprises three partners and 16 staff, provides specialist research, dealing and fund management services in European (including Scandinavian) and North American securities.

The Manager has appointed G.T. Management (Asia) Limited ("GTMA") as its investment adviser in relation to the selection of investments for the Equity Fund in respect of the Far Eastern Shares and has delegated certain of its management powers and duties to GTMA in respect of this Equity Fund. The appointment of GTMA is for a period of two years and will continue thereafter unless and until determined by either party on giving the other not less than six months' written notice.

GTMA is a wholly-owned subsidiary of G.T. Management Limited, a London based investment management company which was established in 1969, and which is the parent company of an international investment management group with offices in London, Hong Kong, San Francisco, Bermuda, Menlo Park (California), Tokyo and Sydney. Clients include private investors, pension funds and other financial institutions in the United Kingdom, the United States of America, France, the Far East and the Middle East.

The Manager is responsible for the payment of the fees of both of the Investment Advisers and any other investment advisers which the Manager may appoint.

Quilter Goodison & Co. may act as brokers to the Fund and receive commissions for doing so. In addition, Quilter Goodison & Co., as agent for the Fund, may transact business on behalf of the Fund with or through international dealers or other entities in which it has an interest, but will do so only in accordance with the rules of The Stock Exchange.

INCOME DISTRIBUTIONS

Although the primary objective of the Equity Funds will be to invest in securities giving capital appreciation, the Directors intend to distribute to all holders of each class of share, at annual intervals, at least 85 per cent. of the net income which accrues to the Equity Fund to which such shares relate.

Dividends may be reinvested automatically, at the request of a shareholder, in subscription of further shares of the class to which such dividends relate. Such shares would be issued on the next Subscription Day after the date on which the relevant dividends are paid at a price calculated in the same manner as for other issues of shares on that date. No sales commission will be payable on such subscriptions. Applicants wishing to use this facility should complete the appropriate part of the Application Form.

Investment Restrictions

Neither the Memorandum of Association nor the Bye-laws of the Fund contain any restrictions on investment policy. The Bye-laws, however, contain the following restrictions on the exercise by the Directors of the powers of the Fund:

(i) at no time may more than 5 per cent. of the value of the net assets of any Equity Fund consist of interests in other unit trusts or mutual funds;
(ii) at no time may more than 10 per cent. of the value of the net assets of any Equity Fund consist of interests in any one company;
(iii) at no time may the assets of any Equity Fund include more than 10 per cent. of the issued share capital of any company or of any class of that share capital;
(iv) the Directors may not invest:
  (a) more than 10 per cent. of the value of the net assets of any Equity Fund in partly paid securities; or
  (b) more than 15 per cent. of the value of the net assets of any Equity Fund in securities not listed or quoted on a stock exchange nor traded in an over-the-counter market (other than investment in other unit trusts or mutual funds);
  provided that the Directors shall not be under any obligation to reduce any holding if either such limit were exceeded owing to the appreciation or depreciation of investments, or as a result of the receipt of profits, bonuses or benefits in the nature of capital, any scheme of arrangement for amalgamation, reconstruction, conversion or exchange, any redemption of shares in the Fund or fluctuations in exchange rates;
(v) the Directors may not sell securities short or buy securities on margin;
(vi) the Directors may not invest in real property, commodities or commodity contracts or in investments in which the liability of the holder is unlimited;
(vii) the Directors may not borrow amounts in excess of 10 per cent. of the net asset value of the Fund and may only make short-term borrowings; and
(viii) the Directors may not make loans or guarantee the repayment of loans other than the making of deposits with the custodian or any bank or deposit-taking institution approved by the custodian, the making of loans to, or the guaranteeing of moneys lent to, a wholly-owned subsidiary of the Fund or the subscription for, acquisition or holding of debt or loan securities.

In addition, the Fund has undertaken to the Joint Custodians referred to below not to invest in partly paid investments unless arrangements satisfactory to the Joint Custodians have been made to meet any liability arising therefrom.

Joint Custodians, Bankers, Registrar and Subscription and Redemption Agent

The Bank of Bermuda Limited ("the Bank") and The Bank of Bermuda (Guernsey) Limited (a wholly-owned subsidiary of the Bank) have been appointed by the Fund as Joint Custodians of the investments and uninvested cash of the Fund, which will be held on behalf of the Fund either directly by the Bank or The Bank of Bermuda (Guernsey) Limited or through their respective sub-custodians, nominees, agents or delegates. The Bank, in addition, will, under a Registrar Agreement, be responsible for maintaining the register of shareholders. The Bank of Bermuda (Guernsey) Limited has also been appointed as Subscription and Redemption Agent by the Fund with responsibility for the issue, redemption, conversion and transfer of shares in the Fund and for the periodic calculation of the net asset values per share in the Fund. The Bank and The Bank of Bermuda (Guernsey) Limited will receive fees for such services (for details see "Charges and Expenses" below), the cost of which will be borne by the Fund.

The Bank is a limited liability company incorporated in Bermuda under The Bank of Bermuda Act of 1890. According to its published financial statements as at 31st December, 1983, the Bank had total assets of \$2.4 billion and capital funds of \$92.3 million. Through its main office in Bermuda and through subsidiaries in Hong Kong and Guernsey, the Bank is engaged in a wide range of international banking and trust services.

The Bank of Bermuda (Guernsey) Limited is a limited liability company incorporated in Guernsey on 13th March, 1973. It has an issued and paid up share capital of £1 million and as at 30th June, 1983 its capital and reserves amounted to approximately £2.6 million.

The appointment of the Bank and The Bank of Bermuda (Guernsey) Limited as Joint Custodians may be terminated by the Bank and The Bank of Bermuda (Guernsey) Limited or the Fund on giving the other not less than six months' notice in writing. The Directors may not remove the Joint Custodians unless and until a successor corporation shall have been appointed in accordance with the Bye-laws.

The Fund has also appointed the Bank and The Bank of Bermuda (Guernsey) Limited as its bankers on their normal banking terms for customers (as regards bank charges, interest and other matters). As bankers to the Fund, the Bank and The Bank of Bermuda (Guernsey) Limited will be responsible for implementing banking and financial transactions for the account of the Fund.

A subsidiary of the Bank will provide administrative and accounting services to the Manager in relation to the Fund at the expense of the Manager.

United Kingdom Taxation

It is the intention of the Directors that neither the central management and control nor the day-to-day management of the Fund will be undertaken within the United Kingdom for taxation purposes. The Fund should not, therefore, be liable to United Kingdom corporation tax on its income or gains.

Individuals resident in the United Kingdom for tax purposes who hold shares in the Fund will, subject to their personal circumstances, be liable to United Kingdom income tax in respect of dividends or other income distributions of the Fund.

On the assumption that the Fund will in due course qualify for "distributor" status (see below), individuals resident or ordinarily resident in the United Kingdom for tax purposes who hold shares in the Fund may be liable to United Kingdom capital gains tax in respect of gains arising from the sale, redemption or disposal of those shares.

Clearance under Section 464 of the Income and Corporation Taxes Act 1970 from the provisions of Sections 460-467 of the Act (which provide for the cancellation of tax advantages from certain transactions in securities) has been given by the Inland Revenue Board of Inland Revenue in relation to the issue, conversion and redemption of shares in the Fund and their purchase and sale through The Stock Exchange. The attention of individuals ordinarily resident in the United Kingdom is drawn to Sections 478-481 of the Income and Corporation Taxes Act 1970 (as amended by Sections 45 and 46 of the Finance Act 1981) which may render them liable to taxation in respect of the undistributed income or profits of the Fund.

The Directors have been advised that a conversion of shares of one class into shares of another class should rank as a reorganisation of share capital within Section 77 (2) of the Capital Gains Tax Act 1979 and that such a conversion should not, therefore, give rise to a liability to capital gains tax for a shareholder at the time of conversion, the shareholder's base cost in relation to the shares of the original class being rolled over into the shares of the new class.

The foregoing statements on United Kingdom taxation are based on advice received by the Fund regarding the law and practice in force in the United Kingdom at the date of this document.

According to provisions contained in the Finance Bill currently before the Parliament of the United Kingdom, if a United Kingdom resident investor holds a material interest in an overseas fund, such as the Fund, and that fund does not qualify for "distributor" status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or disposal of that interest will be taxed as income and not as a capital gain. Shares in the Fund will constitute material interests for the purposes of the relevant provisions of the Finance Bill. It is proposed that in order to qualify for "distributor" status, an overseas fund must demonstrate to the Inland Revenue that:

(i) the fund distributes in respect of each class of share in the fund at least 85 per cent. of such part of its net income, as computed in its accounts as is attributable to that class of share within six months of the end of the relevant accounting period;
(ii) the amount so distributed by the fund in respect of each class of share in the fund is at least 85 per cent. of the taxable income attributable to that class of share, computed broadly in accordance with United Kingdom corporation tax principles, which the fund would have if it were resident in the United Kingdom; and
(iii) the fund complies with certain restrictions on investments.

On the assumption that the provisions contained in the Finance Bill concerning the attainment of "distributor" status by an overseas fund will be enacted without any substantial amendments from their form as at the date of this document (save for amendments which the United Kingdom Government has announced that it will propose to Parliament), the Directors intend that the Fund will apply for "distributor" status.

Applications for that status will need to be made at the end of each accounting period of the Fund, as the Finance Bill provides for "distributor" status to be granted retrospectively at the end of each accounting period. Although the Directors will take all steps that are practicable and consistent with the investment policy of the Fund to ensure that "distributor" status is obtained in respect of each accounting period, the exact conditions which must be fulfilled and what may be regarded as income of the Fund for United Kingdom tax purposes will depend upon the wording of the relevant legislation as eventually enacted and may be affected by changes in Inland Revenue practice or subsequent changes to the legislation itself.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely.

INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS ON THE POTENTIAL TAX CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING, REDEEMING, CONVERTING OR SELLING SHARES IN THE FUND UNDER THE LAWS OF THEIR COUNTRY OF CITIZENSHIP, DOMICILE OR RESIDENCE.

Transfer of Shares

Shares are transferable by instrument in writing, signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and registered in the register of shareholders of the Fund. The Directors may decline to register any transfer of shares over which the Fund has a lien and may also decline to recognise any instrument of transfer unless it is deposited at the registered office of the Fund or such other place as the Directors may appoint. The Directors may suspend the registration of transfers for not more than a total of 30 days in any year. In the case of the death of any one of joint shareholders, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint shareholder in the shares registered in the names of such joint shareholders.

Subsequent Issues of Shares

Following the issue of shares pursuant to this offering, shares may be issued by the Fund on Subscription Days. The Bye-laws of the Fund stipulate that shares may not be issued at less than the net asset value per share (as to the calculation of which see Appendix I) as at the close of business on the immediately preceding Valuation Day. In addition, shares may not be issued at less than their par value. A sales commission of up to 5 per cent. of the relevant Subscription Price will be payable to the Manager by applicants on the issue of shares (other than in the case of the initial offer), out of which the Manager will pay brokerage to stockbrokers, recognised banks, solicitors, accountants and licensed dealers in securities on applications made bearing their stamp at the rate of up to 2 per cent. of the relevant Subscription Price.

Subscription Days will be the second business day in Guernsey following each Valuation Day and/or such other day or days as may from time to time be determined by the Directors. Valuation Days will be every Tuesday (or if any Tuesday is not a business day in Guernsey, the next following business day) and/or such other day or days as may from time to time be determined by the Directors.

Applications for shares may be satisfied, at the discretion of the Manager, by the Manager transferring to the applicant shares held by the Manager at a price not greater than the aggregate of the relevant Subscription Price and sales commission applicable on the relevant Subscription Day.

Fractions of a share will be issued.

Conversion between Classes of Share

Shareholders have the right, subject to the payment of a fee as provided below and to any suspension of the determination of the net asset value of any relevant Equity Fund (for details see paragraph 1(c) of Appendix I), to convert all or part of their holdings of any one class of share into shares of another class or classes by giving notice to the Subscription and Redemption Agent in Guernsey in writing or by telex of their requirements. The same period of notice as for redemption is required, followed by receipt by the Fund of the old share certificate with the conversion request on the reverse duly completed.

Conversion may take place on any Subscription Day, subject to such notice, at a rate calculated by reference to the values of the shares of the classes concerned on the preceding Valuation Day.

The rate at which all or any part of a holding of shares of any class (the "original class") will be converted on any Subscription Day into shares of another class (the "new class") will be determined in accordance (or as nearly as may be in accordance) with the following formula:

$$A = \frac{B \times RP}{SP}$$

where:

A is the number of shares of the new class to be allotted;
B is the number of shares of the original class to be converted;
RP is the Redemption Price of the original class ruling on the relevant Subscription Day; and
SP is the Subscription Price of the new class ruling on the relevant Subscription Day.

The new share certificate will not be posted to the shareholder until the old share certificate, with the conversion request duly completed, together with a fee of \$30 per conversion request payable to the Fund to cover the administrative costs of the conversion, has been received by the Subscription and Redemption Agent, but the conversion will not be delayed as a result.

Redemption of Shares

Subject to any suspension of the determination of the net asset value of any Equity Fund (for details see paragraph 1(c) of Appendix I), and subject as mentioned below, shares of the relevant class may be redeemed in writing or by telex specifying the number and class of shares to be redeemed and giving payment instructions for the redemption proceeds. The redemption request together with the share certificate in respect of the shares to be redeemed must be received by the Subscription and Redemption Agent in Guernsey before 10.00 a.m. (London time) three days before a Valuation Day for the redemption to take effect on the following Subscription Day. A shareholder redeeming shares will be paid an amount equal to the Redemption Price (as to the calculation of which see Appendix I) relating to those shares as at the close of business on the Valuation Day next following receipt of the redemption request. Subject as mentioned above, such amount will be paid to the redeeming shareholder by cheque or draft in dollars. Such cheque or draft will be posted within seven days of the relevant Subscription Day.

Bermuda law prohibits any redemption being made if the effect thereof would be to reduce the aggregate par value of the fully paid shares issued and outstanding below \$12,000.

The Directors have power on any redemption to divide in specie the whole or any part of the assets of the Fund and to distribute such assets in satisfaction or part satisfaction of the moneys payable on redemption of shares.

The Manager may elect to purchase shares presented for redemption at a price not less than the relevant Redemption Price.

Charges and Expenses

Under the terms of the Management Agreement referred to above the Manager will be entitled to receive, in addition to the sales commission referred to above, a quarterly management fee, payable by the Fund, equal to ¼ of 1 per cent. per quarter of the weekly average of the value of the net assets of the Fund during such quarter. The management fee will be calculated as at the last Valuation Day in March, June, September and December in each year.

Under the Joint Custodian Agreement, the Bank and The Bank of Bermuda (Guernsey) Limited will be entitled to receive from the Fund fees, payable quarterly, in aggregate at the rate of ⅛ of 1 per cent. per annum of the weekly average of the value of the net assets of the Fund and ¼ of 1 per cent. of each sale and purchase transaction effected for the account of the Fund and also to be reimbursed their out-of-pocket expenses.

As Registrar, the Bank will be entitled to receive from the Fund a fixed charge of \$1,000 per annum, and to be reimbursed its out-of-pocket expenses.

As Subscription and Redemption Agent, The Bank of Bermuda (Guernsey) Limited will be entitled to receive fees in respect of the agency and valuation services provided which will accrue in accordance with its normal tariff dependent on the amount of work involved on its part.

The fees payable under the Joint Custodian Agreement, Registrar Agreement and Subscription and Redemption Agent Agreement will be reviewed by the Directors in November 1984 and at annual intervals thereafter.

Each of the Directors (other than those Directors who are also partners of Quilter Goodison & Co. or directors of the Manager, being at the date of this document Mr. B. Catchpole, Mr. R.A. Cowell and Mr. R.R. Matthews, who will receive no fee from the Fund) will receive from the Fund in respect of its first financial year a fee of \$500.

The preliminary expenses of the Fund (amounting to \$10,000) and the expenses of the issue, including Bermuda stamp duty on the authorised share capital of the Fund, the costs incurred in connection with the preparation and the publication of this document and the application to The Stock Exchange for admission of the shares to the Official List and all legal, printing and advertising costs are estimated to amount to \$195,000 and will be borne by the Fund. In addition, stamp duty will be payable by the Fund in Bermuda in respect of the initial issue of shares as described below. It is the intention of the Directors that such preliminary expenses and duty should be amortised over the first five years of the life of the Fund.

The Fund will, in addition, bear the cost of all brokerage payable on the purchase or sale of investments, interest on borrowings and fees in respect thereof, Bermuda stamp duty on increases in the share capital of the Fund, the annual Bermuda company registration fee, any fees payable in respect of exempt company status in Guernsey, the fees and expenses of the auditors and legal advisers to the Fund, the cost of printing and distributing the half annual and annual reports and statements and any other operating expenses.

The Manager is responsible for the payment of the fees of both of the Investment Advisers and any other investment advisers which the Manager may appoint.

Bermuda and Guernsey Taxation

At the date of this Prospectus there is no Bermuda income tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Fund or its shareholders, with respect to investment in shares of the Fund.

By virtue of the Exempted Undertakings Tax Protection Act, 1966 (as amended) of the Bermuda Legislature, the Minister of Finance of Bermuda has given an undertaking that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not until 28th March, 2006 be applicable to the Fund or to any of its operations, or to the shares, debentures or other obligations of the Fund except insofar as such tax applies either to persons who are ordinarily resident in Bermuda and hold such shares, debentures or other obligations of the Fund or to any land leased or let to the Fund.

As an exempted company, however, the Fund is liable to pay an annual company registration fee (currently BD\$2,250) to the Bermuda government.

Stamp duty at the rate of ¼ of 1 per cent. on the nominal value of the Fund's initial authorised share capital and on any increase therein and stamp duty at the rate of ⅒ of 1 per cent. on the excess of the Subscription Price over the nominal value in respect of shares issued will be payable by the Fund.

A transfer of shares, where a party involved is resident in Bermuda for the purposes of the Exchange Control Regulations, 1973, must be stamped at the rate of ½ of 1 per cent. of the consideration for the transfer.

The Administrator of Income Tax in Guernsey has confirmed that income of the Fund arising outside Guernsey and bank interest arising in Guernsey is exempt from Guernsey income tax.

The foregoing is based on the law and practice currently in force and is subject to changes therein.

It is the intention of the Fund to apply for exempt company status in Guernsey so that the Fund will be regarded as resident in Guernsey for taxation purposes but exempt from taxation in Guernsey, if and when legislation is introduced in Guernsey to make this possible. In this event, it is anticipated that an annual fee of approximately \$1,500 will be payable by the Fund to the States of Guernsey.

Investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding, redeeming, converting or selling shares in the Fund under the laws of their country of citizenship, domicile or residence.

Bermuda Exchange Control

The Fund has been classified as a non-resident of the Bermuda Exchange Control area by the Bermuda Monetary Authority Foreign Exchange Control, whose permission for the issue of shares in the Fund has been obtained. The transfer of shares between persons regarded as resident outside Bermuda for exchange control purposes and the issue and redemption of shares to or by such persons may be effected without specific consent under the Bermuda Exchange Control Act, 1972 and regulations made thereunder. Issues and transfers involving any person regarded as resident in Bermuda for exchange control purposes require specific prior authorisation under that Act.

Reports and Accounts

Copies of the annual audited financial statements of the Fund (made up to 30th June in each year except for the first such annual audited financial statements which will be made up to 30th June, 1985) will be sent to shareholders at their registered addresses not less than 21 days before the date fixed for the general meeting of the Fund at which they will be considered. Shareholders will also be sent copies of the Manager's half annual report on the Fund and the half annual unaudited financial statements of the Fund (made up to the last Valuation Day in December in each year).

General Meetings

The annual general meeting of shareholders of the Fund will be held in Bermuda, Guernsey, or such other location as the Directors may from time to time determine, for the purpose, inter alia, of considering the audited financial statements of the Fund. Notices convening the annual general meeting together with the annual report and accounts of the Fund will be sent to shareholders at their registered addresses normally in August each year and in any event not later than 21 days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors by sending notices to shareholders in the manner described above.

Auditors' Report

The following is a copy of a report from Coopers & Lybrand, Chartered Accountants, the auditors to the Fund:

To the Directors,
Quadrant Intercontinental Fund Limited,
Bank of Bermuda Building, Front Street, Hamilton, Bermuda.

Dear Sirs,

Quadrant Intercontinental Fund Limited was registered under the laws of Bermuda on 22nd May, 1984. As at the date of this Report it has not traded and no accounts have been prepared and no dividends paid.

Yours faithfully,

Coopers & Lybrand
Chartered Accountants

Abacus Chambers, Smith Street,
St. Peter Port, Guernsey, Channel Islands.
22nd May, 1984

Appendix I
Net Asset Value and Subscription and Redemption Prices

1 Calculation of Net Asset Value

(a) The Bye-laws provide that the net asset value per share of each class will be determined as at the close of business on each Valuation Day and will be calculated by reference to the value of the net assets of the Equity Fund attributable to such class of share.

(b) The value of the net assets of each Equity Fund will be determined in accordance with the Bye-laws of the Fund which provide, *inter alia*, that:

(i) all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange shall be made by reference to the last quoted sale price (or, lacking any sales, at the mean between the last available bid and asked prices) on the principal stock exchange for such investments as at the close of business on the day as of which such calculation is to be made; all calculations based on the value of investments traded or dealt in on any over-the-counter market which is the principal stock exchange therefor shall be made by reference to the mean between the latest available bid and asked price quoted thereon provided always that:
  (a) if the Directors in their discretion consider that the prices ruling on a stock exchange other than the principal stock exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
  (b) the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value;
(ii) if no price quotations are available as above provided, the value thereof shall be determined from time to time in such manner as the Directors shall determine; and
(iii) any value (whether of a security or cash) otherwise than in dollars shall be converted into dollars at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard *inter alia* to any premium or discount which they consider may be relevant and to costs of exchange.

(c) The Bye-laws provide that the Directors may at any time and from time to time suspend the determination of the net asset value of any Equity Fund (and consequently the payment of redemption moneys to persons who have redeemed shares of the relevant class) for the whole or any part of a period (a) during which any stock exchange or over-the-counter market on which any significant portion of the investments of the Equity Fund is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such stock exchange or market is restricted, or (b) when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Fund to dispose of investments comprised in that Equity Fund or as a result of which any such disposal would be materially prejudicial to shareholders, or (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments of the Equity Fund or when for any other reason the value of any of the investments or other assets of the Equity Fund cannot reasonably or fairly be ascertained, or (d) during which the Fund is unable to repatriate funds for the purpose of making payments on the redemption of shares of the relevant class or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of shares of the relevant class cannot in the opinion of the Directors be effected at normal rates of exchange. No shares of the relevant class may be issued or redeemed during such a period of suspension. The Directors will use their best endeavours to cause notice of their declaration of such a suspension to be published in an English language newspaper with circulation in Europe.

2 Subscription and Redemption Prices

The Bye-laws provide that the Subscription Price and Redemption Price of each share of each class will be determined by dividing the net asset value of the relevant Equity Fund as at the close of business on the preceding Valuation Day by the number of shares of that class then in issue rounded to the nearest whole cent or, in the case of a half cent, rounded up to the nearest whole cent.

The Bye-laws provide that any certificate as to the net asset value per share and/or the Subscription Price and/or Redemption Price per share given in good faith by or on behalf of the Directors is binding on all parties.

The latest Subscription and Redemption Price per share so determined will be published daily in an English language newspaper with circulation in Europe. They may also be obtained from the offices of The Bank of Bermuda Limited in Bermuda and in London, from the offices of the Subscription and Redemption Agent in Guernsey, from the offices of Quilter Goodison & Co. in London and from the Manager.

Appendix II
Bye-laws

The Bye-laws of the Fund provide, *inter alia*, as follows:

1 Allocation of Assets and Liabilities between Equity Funds

(a) There will be a separate Equity Fund for each class of share to which the assets and liabilities and income and expenditure attributable or allocated to such Equity Fund will be applied or charged and the following provisions will apply thereto:—

(i) the proceeds from the allotment and issue of shares of each class will be applied to the Equity Fund established for that class of share, and the assets and liabilities and income and expenditure attributable thereto will be applied to such Equity Fund subject to the provisions set out below;
(ii) where any asset is derived from another asset (whether cash or otherwise), such derivative asset will be applied to the same Equity Fund as the asset from which it was derived and on each revaluation of an investment the increase or diminution in value will be applied to the relevant Equity Fund;
(iii) in the case of any asset (or amount treated as a notional asset) of the Fund which is not considered attributable to a particular Equity Fund or Equity Funds, the Directors will have discretion, subject to the approval of the Auditors, to determine the basis upon which any such asset shall be allocated between Equity Funds. The Directors will have power, subject to the approval of the Auditors, to vary such basis, provided that the approval of the Auditors will not be required in any case where the asset is allocated between all the Equity Funds *pro rata* to their net asset values at the time when the allocation is made;
(iv) the Directors will have discretion, subject to the approval of the Auditors, to determine the basis upon which any liability shall be allocated between Equity Funds (including conditions as to subsequent re-allocation thereof if circumstances so permit) and will have power to vary such basis, provided that the approval of the Auditors shall not be required in any case where a liability is allocated to the Equity Fund or Equity Funds to which in the Directors' opinion it relates or, if in the Directors' opinion it does not relate to any particular Equity Fund or Equity Funds, between all the Equity Funds *pro rata* to their net asset values;
(v) subject to the approval of the Auditors, the Directors may transfer any assets (or amounts treated as notional assets) to and from Equity Funds if, as a result of a creditor proceeding against certain of the assets of the Fund or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (iv) above, or in any similar circumstances.

(b) In the event of the Fund being wound up the Bye-laws provide that the liquidator will apply the assets of the Fund in satisfaction of creditors' claims in such a manner and order as he thinks fit. The liquidator will in relation to the assets available for distribution among shareholders make such transfers thereof to and from Equity Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holders of shares of different classes in such proportions as the liquidator thinks equitable having regard to the above provisions. The assets available for distribution among shareholders will then be applied in the following priority:

(1) first, in the payment to the holders of each class of share of a sum equal to the nominal amount of the shares of such class held by such holders respectively provided that there are sufficient assets available in the relevant Equity Fund to enable such payment to be made. In the event that, as regards any class of share, there are insufficient assets available in the relevant Equity Fund to enable such payment to be made, recourse will be had:
  (i) first, to the assets of the Fund not comprised within any of the Equity Funds; and
  (ii) secondly, to the assets remaining in the Equity Funds for the other classes of share (after payment to the holders of the shares of the classes to which they relate of the amounts to which they are respectively entitled under paragraph (1) above) *pro rata* to the total value of such assets remaining within each such Equity Fund;
(2) secondly, in the payment to the holders of each class of share of any balance then remaining in the relevant Equity Fund, such payment being made in proportion to the number of shares of that class held: and
(3) thirdly, in the payment to the holders of each class of share of any balance then remaining and not comprised within any of the Equity Funds, such payment being made in proportion to the number of shares held.

2 Variation of Class Rights

(a) All or any of the special rights for the time being attached to any class of share for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Fund is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a resolution passed with a like majority at a separate general meeting of the holders of such shares on the Register at the date on which notice of such separate general meeting is given. For such purposes the Directors may treat all the classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration but in any other case, shall treat them as separate classes. To any such separate general meeting all the provisions of the Bye-laws as to General Meetings of the Fund shall *mutatis mutandis* apply, but so that the necessary quorum shall be two members holding or representing by proxy not less than one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders of shares of the class who are present shall be a quorum), that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the class present in person or by proxy may demand a poll.

(b) The rights attached to each class of share shall be deemed to be varied by the creation or issue of any shares ranking in priority to them as respects participation in the profits or assets of the Fund.

(c) Subject to paragraph (b) above, the special rights attached to any class of share having preferential or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by:

(i) the creation, allotment or issue of further shares ranking *pari passu* therewith; or
(ii) the creation of unclassified shares; or
(iii) the allotment, issue or redemption of shares of any of the classes referred to above or any other class or classes; or
(iv) the conversion of shares of any of the classes referred to above or any other classes, into shares of another such class as provided for in the Bye-laws; or
(v) the exercise of the powers to allocate assets (or amounts treated as notional assets) and charge liabilities to the various Equity Funds, and to transfer the same to and from Equity Funds, as referred to above.

3 Voting Rights

(a) Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held (of which there are none at present), at any general meeting on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every shareholder present as aforesaid or by proxy shall have one vote for every share held.

(b) To be passed, resolutions of the Fund in general meeting require (save in the case of paragraph 6 below) a simple majority of the votes cast by shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

4 Dividends

Dividends shall only be payable to the holders of a class of share out of the profits or surplus available for distribution of the Equity Fund relating to such class of share. The Bye-laws prohibit the distribution as dividend of realised capital appreciation. All dividends declared by the Directors in respect of a particular Equity Fund will be paid to the shareholders in such Equity Fund, subject to the rights of persons, if any, entitled to shares with special dividend rights, in proportion to the number of shares of the relevant class held by them.

5 Directors

(a) The remuneration of the Directors shall be determined by the Fund in general meeting. The Directors may also be paid, *inter alia*, for travelling, hotel and other expenses incurred by them in attending meetings of the Directors or in connection with the business of the Fund. Any Director who devotes special attention to the business of the Fund may be paid such extra remuneration as the Directors may determine.

(b) A Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Fund on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Fund in any capacity, nor shall any such contract or any contract or arrangement entered into by the Fund in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest. However, with certain limited exceptions in the case of obligations incurred on behalf of the Fund, and of proposals concerning other companies in which he has a beneficial interest of less than one per cent., a Director shall not vote and shall not be counted in the quorum in respect of any contract or arrangement in which he is so interested and, if he shall vote, his vote shall not be counted.

(c) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Fund or at which the

BIDS AND DEALS

Saatchi bids for Harrison Cowley

BY ALEXANDER NICOLL

Saatchi & Saatchi emerged yesterday as the bidder for Harrison Cowley, one of the UK's leading regional advertising agencies, making a £7.5m offer which has already been accepted by holders of 54 per cent of Harrison.

Saatchi, the largest advertising agency in the UK and the seventh largest in the world, plans to merge Harrison with Crawford Halls Partnership, which groups Saatchi's existing regional operations.

Saatchi is offering 150p of 8 per cent convertible unsecured loan stock due 2015 in Crawford for each Harrison share.

Harrison, which said last week that it had received an approach which could lead to a bid at 150p, lost 15p to close at that price yesterday. Saatchi lost 15p to 675p, valuing the company at £191.4m.

The loan stock will be convertible between 1988 and 2015 at the rate of 13.25 Saatchi shares per £100 of stock. Application will be made to list the stock, and Saatchi's stockbrokers, Phillips & Drew, said they believed it would stand in the market at no less than par.

The merger is conditional on Harrison's directors forecasting that its pre-tax profits in the year ending December 31, 1984 will be not less than £850,000. In 1983, profits rose to £710,000 from £557,000 on sales of £20.7m against £17.6m.

The companies said the proposed combined group, to be named Crawford Halls Harrison Cowley, would be among Britain's top 10 agency groups and would be the leading group in terms of geographic coverage of the UK.

Crawford Halls, which had billings of over £40m in 1983, has agencies in London, Edinburgh and Manchester while Harrison has agencies in Bristol, Birmingham, Edinburgh, Maidenhead, Manchester and Southampton. Harrison based in Bristol, *also specialises* in public relations and recruitment.

Harrison's major clients include Berni Inns, Bristol and West Building Society and St Ivel.

Saatchi, made famous by its campaigns for the Conservative Party and for advertisements such as those for British Airways last year, has recently been concentrating on expansion abroad, especially in the U.S. where it acquired Compton for U.S.$55m (£40m) last year and also obtained a listing on the New York Stock Exchange.

Harrison's directors, holding 28 per cent of the company, and Robert Fleming Investment Management, holding 28 per cent, have undertaken to accept Saatchi's offer. Robert Fleming is the merchant bank advising Harrison while County Bank is advising Saatchi.

Further Yule advice on Macpherson offer

BY RAY MAUGHAN

Yule Catto, the industrial chemicals, plantations and building products group, despatched a letter to shareholders in Donald Macpherson Group, the "Cover Plus" paint manufacturer, strongly advising them to back Yule's equity offer and reject the cash offer launched for Macpherson from the Finnish group, Tikkurila.

Yule's cash offer lapsed on May 15 but the equity offer remains open until June 5. Its terms, worth 125p per Macpherson share on its own calculation, were at first favoured by the Macpherson board in preference to the earlier bid from Becker, the Swedish paints group, but were then passed over in favour of the later bid from Tikkurila.

Yule Catto has not lifted its terms, opting instead for strong profits and dividend growth forecasts for the current year to heighten the attractions of its own equity.

These have included an estimate of 51 per cent pre-tax profits growth in 1984 to at least £11.5m, a 37 per cent dividend increase to a total of 5.5p net per share, a 32 per cent lift in earnings to 22p per share and, finally an announcement that profits have risen by 114 per cent on a like-for-like basis in the first four months of 1984.

It also revealed that its 65 per cent owned plantations subsidiary has reached conditional agreement to buy a majority stake in a company owning 4,000 on mature oil palm which would lift Yule's planted palm acreage by 40 per cent. The financial effects of the deal would be to increase earnings by 1.6p per share this year.

The group is also proposing to sell land to a new joint venture housing company in Malaysia, now that the necessary Government approvals for a housing project near Kluang in Johore have been obtained. This would yield an extraordinary profit of £1.3m which would be worth 4.5p per existing Yule Catto share.

Finally, the proposed sale of Yule's indirecto holding in Wytch Farm through its stake in GOAL Petroleum, worth £9.1m at current market values, would give rise to an extraordinary surplus of 24p per share which, when applied against borrowings, would increase earnings in a full year by 2.7p per existing Yule share.

BIDS AND DEALS IN BRIEF

Pritchard Cleaners, the principal British operating company within **Pritchard Services Group,** has acquired **B. A. Lester** and its associates for £1.33m. B. A. Lester, together with Lesters Health Care Services and Lester Security Services, has a turnover of approximately £2.5m. It currently has over 200 contracts mainly in the South East, and its operations mirror those of the Pritchard Group, covering security, hospital services and building cleaning and maintenance.

* * *

County Bank, acting as an associate of **Harris Queensway,** purchased on May 22 397,000 ordinary shares of **Bakers Household Stores (Leeds)** (7.85 per cent) at 156.65p per share. County will, in respect of this holding, accept the Harris offer.

Harris and County together own or have received irrevocable undertakings in respect of 2.58m Bakers shares (51.56 per cent).

* * *

Mr Jim Raper's **St Piran Group** has increased its holding in **Benjamin Priest,** the Midlands engineering group, to 9.6 per cent against the 7.24 per cent stake disclosed last month. It holds 1,625,000 shares.

Benjamin Priest cut its loss to £160,000 (£324,000) in the half-year ended September 30 1983, and recently announced that it would cease making standard bolts.

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Commenting on recent bid speculation, **Waterford Glass** says it remains in discussion with a number of interested parties and will make a further announcement on the progress of these discussions within the next couple of weeks.

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Subject to Government clearance, **Charterhouse Peetroleum** has reached agreement with the shareholders of **Western Isles Petroleum** to acquire the company. Through a wholly-owned subsidiary Western holds a 12 per cent working interest in UK North Sea Block 14/8.

Consideration will be 180,000 Chartehouse shares and the agreement provides, as an additional consideration, for a further 250,00 Charterhouse shares if a second well is commenced in the block to appraise a discovery made by the first well.

* * *

Morgan Grenfell, which is deemed to be acting in concert with **Arthur Guinness and Sons** has purchased 125,000 ordinary shares in **Martin The Newsagent** at 345p.

Guinness and Morgan Grenfell together own or have received irrevocable undertakings in respect of 3,629,306 ordinary shares (27.4 per cent).

SHARE STAKES

Lyle Shipping Hldgs—Scottish Amicable Life Assurance Society and its associates now hold or control a total of 746,950 (previously 846,950) ordinary shares (7.46 per cent).

Stockholders Investment Trust-Stake—Kuwait Investment Office has an interest in 4,300,000 ordinary shares (5.41 per cent).

Sirdar—Dr J. H. Tyrrell, husband of chairman, Mrs J. M. Tyrrell, sold 30,000 ordinary shares.

United Spring and Steel Group—B. Fenwick-Smith now owns 775,000 shares (5.7 per cent).

Juliana's Holdings—N. J. Irens, a director, has sold 100,000 ordinary shares at 480p.

Trafalgar House—D. M. Calverley, a director, has sold 8,750 ordinary shares.

The General Funds Investment Trust—Mr J. N. McCance, a director, has increased his non-beneficial holding by 6,000 ordinary and now holds 68,096.

Arcoelectric (Holdings)—Rose Management has disposed of all its holdings. Mr David Taglight has purchased 100,000 ordinary.

Plan Investment Group—Edinburgh Financial Trust has increased its holding to 9.09 per cent.

UK COMPANY NEWS

Hyman sells large part of Readicut holding

By Ray Maughan

Readicut International, the West Yorkshire handicraft, carpets textiles group revealed yesterday that Mr Joe Hyman, the former chairman of the Viyella textile group, has sold the bulk of his holding in the company. Some 10m shares are understood to have been placed at 27½p per share on *his behalf* among 10 institutional investors.

The disposal cuts Mr Hyman's holding from 17 per cent to below the disclosable level of 5 per cent. Mr Hyman unveiled a significant stake in the group in March just as Professor Roland Smith, better known as head of House of Fraser, was about to assume the chairmanship.

Since then Readicut has been able to announce a significant turnround from losses of £1.5m to profits of £3.8m in the year to March 31 as a result of loss elimination and some volume growth.

Letters were exchanged between Professor Smith and Mr Hyman as Readicut rejected Mr Hyman's request for a boardroom seat.

Readicut shares were unchanged yesterday at 29½p.

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Micro Focus has acquired **Softwright,** a software company, for a total consideration of 40,000 Micro shares.

Australian offshoot of BL achieves sharp profit improvement

JRA, the Australian offshoot of BL, the UK vehicle manufacturer, saw a strong recovery in net profits for 1983 as it reaped the benefits of a healthy increase in sales and the effects of a rationalisation programme which saw it withdraw from the assembly of cars and trucks.

For the period under review net profits, which totalled only A$774,000 for the corresponding 12 months, rebounded sharply to finish at A$10.98m.

Total turnover for the year was well ahead from $165m to $198m as the Jaguar, Rover and Peugeot cars increased their share of the luxury car market from 11.6 per cent to 13.4 per cent. This was achieved in an overall car market within Australia which declined by 8 per cent.

A major benefit for the year was the virtual elimination of interest charges. These tumbled from $3.6m to $96,000 as the group wound back its working capital requirements, mainly as a result of a reduction in staff connected with its withdrawal from car and truck assembly.

By running down these items and with its strong sales performance, JRA was able to repay $15m of short-term borrowings and build a cash and deposit base of $27m from only $45,000 last year. Much of this is earmarked for the August repayment of $20m of redeemable preference capital.

By the year-end the company's external debt totalled $2.6m, while, after repayment of $9m, loans from related companies were down to $13.5m.

The withdrawal from car and truck assembly—it retained Land-Rover assembly operations and bus body and chassis assembly—resulted in a $2.1m extraordinary loss and a $3.2m pre-tax abnormal loss, although the resulting reduction in the number of people employed by the company saw sales per employee jump from $82,245 to $125,000.

JRA says all business areas are operating profitably in the first quarter of the current year and that it was well placed for a further strong performance in the present 12 months.

Laidlaw welcomes incentive payments

THE reintroduction of incentive payments to dealers for a two month period to the end of June by Ford, the car manufacturer, was a welcome move Mr Mac Robertson, the chairman of the Laidlaw Group said at yesterday's annual meeting.

He said that "While I regret the necessity of such incentives it is not possible for volume dealers to trade profitably without them in today's—and probably tomorrow's — marketplace. When compared with last year, I estimate that lack of price-competitiveness cost us almost £300,00 of gross profit during the first three months and I therefore welcome the return of incentives."

He pointed out that Laidlaw's new car volumes were down about 20 per cent for the three months to end March compared with the corresponding period, with consequent larger drops in net profits. However, Mr Robertson said: "I expect an overall recovery in car profits, certainly until the end of June. Second-half profits will depend, as always, on the size of the August market allied with Ford's competitiveness at the time."

COMPANY NEWS IN BRIEF

E. Upton and Sons, the Teesside-based department store operation, proposes to offer at par £503,696 of 10 per cent convertible unsecured loan stock 1990 to shareholders on the register at May 21 1984.

The issue will be on the basis of £2 of stock for every seven ordinary shares or "A" ordinary shares held with effective conversion at 40p.

The issue has been underwritten and the bulk of the Upton family entitlement will be placed at par with institutional sub-underwriters.

The board says the issue will improve current liquidity of the company and expand its operational base.

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On income up from £5.24m to £5.65m, **Whitbread Investment Co,** which holds shares mainly in brewery concerns, improved pre-tax profits for the year to March 31 1984 from £4.91m to £5.34m.

Tax took £1.61m (£1.5m) for earnings of 5.91p (5.4p) per 25p share and the final dividend is 3.96p net for a 5.9p (5.35p) total.

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Sovereign Oil and Gas, which is presently quoted on the Unlisted Securities Market, has applied for a full Stock Exchange listing through an introduction arranged by Hambros Bank.

A British independent oil company, Sovereign holds interests in 14 blocks offshore UK, of which it operates five, four production licences and one exploration licence in Southern England and five blocks offshore Germany.

Dealings on the full list are expected to commence on May 29.

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After higher interest charges, up from £68,427 to £173,752, **Buckley's Brewery** reports pre-tax profits down from £870,059 to £850,059. Turnover of this South Wales company improved from £10.86m to £11.57m, and there was an increase from £796,964 to £907,483 in trading profits.

After tax, down from £177,855 to £52,978, attributable profits emerged at £797,081 against £692,204. The total dividend is unchanged at 2.45p net with a same-again final of 1.7p. Earnings per 25p share were 5.8p (5p).

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Pre-tax profits of **Heavitree Brewery,** Exeter-based beers, wines and spirits company, increased from £215,737 to £276,907 for the six months ended April 30, 1984, on turnover little changed at £1.96m, against £1.93m. The interim dividend is unchanged at 6.6p.

Profits included a £96,581 surplus from the sale of properties and were subject to tax of £123,604 (£138,039).

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Hit by higher interest of £160,000 against £88,000, pre-tax revenue of **London and Strathclyde Trust** fell from £218,000 to £192,000 in the six months to February 29 1984.

Gross revenue was ahead from £361,000 to £409,000 and the taxable result was also after management expenses little changed at £57,000 (£55,000).

The net asset value per share was 163.1p at the end of the period against 151.3p at August 31 1983.

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Murgatroyds Transport (Summerbridge) and **Shoestring Wines** have been compulsorily wound up in the High Court. Compulsory winding-up orders against Bootleg (Dartford), made on March 26, and Construction Services (Nottingham), made on March 14, have been rescinded and the petitions dismissed by consent.

MINING NEWS

Anglo American increases investment in GFSA

BY GEORGE MILLING-STANLEY

THE BIGGEST mining house in South Africa and the country's leading insurance group have apparently decided that the less they have to do with each other, the better.

In a deal which became effective last Friday but was not formally announced until yesterday, the mining house Anglo American Corporation has acquired 4.6m shares in Gold Fields of South Africa from the insurance group Old Mutual in exchange for 6.5m shares of Barlow Rand, the mining and industrial group.

The deal lifts Anglo American's direct stake in GFSA from 3.3 per cent to 8.9 per cent, but the group's total holding is boosted by indirect stakes, reports Jim Jones in Johannesburg.

Anglo American's gold investment arm, Anglo American Gold Investment (Amgold) already holds 10.9 per cent of GFSA, while the Bermuda-registered Minerals and Resources Corporation (Minorco), controlled by Anglo and its diamond-producing sister company De Beers Consolidated Mines, has a stake of just under 30 per cent in Consolidated Gold Fields of London, which holds 48 per cent of GFSA.

The deal raised Old Mutual's interest in Barlow Rand from 29.5 per cent to 32.9 per cent.

The latest moves underline the polarisation of interests in corporate South Africa. A year ago, Old Mutual's management was upset by a deal in which Anglo and its associates acquired control of the big Premier foods group from Associated British Foods, its controlling shareholder.

This deal was accompanied by the injection of 36 per cent of the equity of South African Breweries into Premier.

Old Mutual, a major shareholder in both the brewing and food groups, was not consulted over these arrangements, and within weeks Mr Jan van der Horst, the insurance group's chief executive, left the board of Anglo American.

Relations between the two were further strained late last year when Anglo merged its life assurance operations with those of Southern Life, based in Cape Town. This created the country's third largest insurance group, and was perceived as a threat by Old Mutual.

These disputes were symptomatic of the growing competition between five big groups, Anglo American, Old Mutual, Liberty Life, Sanlam and Anglo-Vaal, to gain control of significant sectors of the South African economy.

Anglo and Old Mutual have obviously decided that each will be better served if the corporate dividing lines are clearly drawn. Barlow Rand now falls under the control of Old Mutual, while GFSA is increasingly being drawn into the Anglo orbit.

Reduced dividend from MMC

PRE-TAX PROFITS of Malaysia Mining Corporation (MMC) rose by 30 per cent in the year to January 31 to M$69.6m (£21.5m), in spite of the severe restrictions on sales of tin concentrates imposed by export controls and the increasingly difficult trading conditions.

The group said that the improvement was attributable to tight management control and increased operating efficiencies, reports Wong Sulong in Kuala Lumpur.

However, extraordinary debits totalling M$2.2m, compared with credits in the previous year of M$12.3m, reduced net profits to M$29.6m, down from M$39.1m the year before. The year's dividend has been reduced from 11 cents a share to 6 cents with a final of 3 cents.

Ashton Mining, which holds 38.2 per cent of the Argyle Diamond Mines joint venture in Western Australia, contributed 18 per cent to MMC's pre-tax profits. Ashton's status changed from that of a 50.1 per cent-owned subsidiary to a 46.3 per cent-owned associate on October 12 last year.

The diamond joint venture started commercial production from the surface deposits during the first half of the year, and the interest in Ashton Mining is expected to contribute significantly to group earnings after 1985 once full production from the main diamond-rich pipe begins.

Tan Sri Nasaruddin, former secretary general of the Ministry of Commerce and Industry, has taken over as executive chairman. Dr Tunku Shahriman has moved over to the property company United Estates Projects.

Emray well ahead and ups payout by 50%

WITH A £200,000 contribution from Bluebell Garage Group, acquired in April last year, pretax profits of Emray, the financial services, mining and industrial concern, rose by £176,000 to £503,000 in 1983.

Reflecting this improvement the final dividend is, as forecast, an unchanged 0.5p, which together with a maiden interim payment of 0.25p lifts the total distribution for the year to 0.75p net.

Turnover for the 12 months advanced sharply from an adjusted £11.76m to £16.52m and the directors' report that sales and profits so far in the current year are well ahead of those for the corresponding period.

Tax for 1983 took £60,000 (£114,000), for earnings of 1.9p (0.91p) per 5p share, while below the line there was an extraordinary debit of £91,000 (£57,000). At the year-end the net asset value per share showed little change at 9.7p (9.6p).

The directors report that advantage has been taken of the upturn in financial services and motor businesses. An increase in margin has been achieved, although market pressures have been intense and are likely to continue.

A provision of £283,600 has been made from reserves for potential deferred tax liability following capital allowances changes in the Budget. Actual tax payments should not have to be made for several years, the directors point out, adding that the company's leasing rates do not have variation clauses, therefore no further provisions are required.

MINING NEWS IN BRIEF

A REDUCED contribution from interest and dividends receivable gave Tronoh Mines Malaysia lower profits at the attributable level last year, even though the profit on the company's tin mining operations was sharply higher.

Tronoh produced attributable profits of M$5.56m (£1.7m) for the 12 months, down from M$7.08m in 1982, and has reduced the total dividend from 90 cents a share, less tax at 40 per cent, to 65 cents, with the final payment of 40 cents.

* * *

South African gold production dipped a little in April, with output of 1,813,001 ounces, against the March figure of 1,844,766 oz. The latest figure is also below the 1,820,498 oz produced in April last year.

The cumulative total for the first months of 1984 is still running slightly ahead of last year, with a total of 7,206,395 oz produced, compared with 7,195,925 oz

* * *

In expectation of stronger copper prices, Canada's Sherritt Gordon Mines has authorised the continuation of operations at its Ruttan mine in Manitoba. The company said earlier that the mine would cease operating on June 15.

Sherritt said that since then, productivity has improved and a one-year extension of the labour contract containing a cost-of-living adjustment tied to copper prices has been obtained.

In addition, the company has secured a C$10m (£5.6m) project loan from the Manitoba Government to finance part of its C$28m development programme for the deeper levels of the mine. Sherritt is still looking for outside participation in the project and is also examining other sources of debt financing to cover the balance of the cost.

* * *

A small antimony mine at Lake George near the New Brunswick capital of Fredericton is to be reopened by Durham Resources, a company in Canada's Noble Harbinson group. The mine was closed in May 1981 when the main ore zone was exhausted and antimony prices fell to unprofitable levels.

Durham's management estimates that the operation could make a monthly profit of C$700,000 (£390,000) now that antimony prices have recovered.

Wistech

Wistech achieved pre-tax profits of £133,300 on turnover of £1.88m for the six months to end-March, 1984.

Mr Tony Morgan has agreed to become a director and will assume the role of executive chairman. Mr Nigel Graham Maw, the current non executive chairman, will remain a director.

Guinness Mahon & Co. Ltd. has been appointed Merchant Bankers to the company.

Sennah Rubber

Pre-tax profits of Sennah Rubber rose from £281,923 to £418,717 in 1983 and the company is raising its dividend by 10p to 35p gross per £1 share. Net profits came through at £334,228, compared with £233,766.

BUSINESS LAW

New York law unsafe for loan agreements

BY A. H. HERMANN, Legal Correspondent

"IT'S MONSTROUS, it's a scandal, nothing like this has happened before! From now on no-one in his right mind will specify New York law and New York as a place of litigation in a loan agreement." This was the comment of a leading European authority on the law concerning international money obligations, to whom I showed the judgment in the case of Costa Rican bank debts* handed down by the U.S. Court of Appeals for the Second Circuit on April 23 1984.

I hasten to add, with due respect, that I do not agree completely: indeed, it would make perfect sense for debtor governments to insist on New York law and a New York forum which, unless the above judgment is overruled, offers them complete freedom to defer unilaterally the payment of interest and repayment of debts on the assertion that the debtor country is in an economic crisis.

One must hope that the appeal court ruling will be reversed either by the full court in a re-hearing or by the Supreme Court, but this is bound to take time. Whatever the final outcome, the judgment illustrates how far U.S. higher courts are willing to go to comply with foreign policy pronouncements of the Administration and short-term interest of banks; and to what absurd results can the extraterritorial application of U.S. law lead. In the present case the New York court concluded that if chapter 11 of the U.S. bankruptcy code provides protection for the assets of insolvent U.S. debtors, the same protection must be extended, under the rules of comity, to foreign insolvent governments and their banks.

The appeal arose out of a dispute concerning the non-payment of promissory notes by three Costa Rican banks, owned by the Republic of Costa Rica and subject to the control of its central bank. These banks neither maintain employees and offices nor conduct their banking business in New York. The plaintiffs were originally a syndicate of 39 banks, but 38 of these settled their claims with Costa Rica in the course of proceedings before the lower court, and the appeal was made solely on behalf of Fidelity Union Trust Company of New Jersey.

The unpaid promissory notes were issued in connection with the failure of the Latin American Bank in 1976. Side agreements negotiated and executed in the U.S. provided for unconditional semi-annual payments in New York City and in U.S. dollars. These agreements were registered with the Central Bank of Costa Rica which had to provide the necessary U.S. currency.

Failure to pay the required interest or principal within 30 days of the due date would, according to these agreements, constitute default entitling the lenders to demand full payment of the promissory notes. If the failure to pay was due to the omission or refusal of the central bank to release U.S. currency, default would be excused for an additional ten days.

The Costa Rican banks paid the instalments until 1981, when the President of Costa Rica decreed that public-sector entities could pay external debts only with the express approval of the central bank, and the central bank resolved that it would release no foreign currency for this purpose. The measure was taken by the Costa Rican Government because it was renegotiating its external debt and wished to "centralise the decision-making process."

Accordingly, the Costa Rican banks failed to make the required payments, and the creditor banks asked for a summary judgment in the New York District Court. This action was dismissed by an agreement of the parties after the court explained that the act-of-state doctrine barred the entry of summary judgment.

In the appeal it was argued on behalf of Fidelity that the act-of-state doctrine was inapplicable because the obligations were not located in Costa Rica but in New York. To refute this argument the court reached for a 100-year-old precedent concerning old Canadian railway bonds, when the Supreme Court held† that the true spirit of international comity required that schemes for the solution of bankruptcy legalised in the U.S. should be recognised also in other countries. Accordingly, the appeal court held that the deferment by Costa Rica of the payment of its external debts was analogous to the reorganisation of a business according to chapter 11 of the U.S. bankruptcy code providing that all debt enforcement should be automatically stayed to prepare an insolvent business to reorganise its debts.

The court also rejected the appellant's argument that Costa Rica was acting as a commercial entity and not as a sovereign. Relying on a more recent decision†† which the Supreme Court refused to review, the court held that the act-of-state doctrine remains available regardless of any commercial component involved. In trying to prevent a financial disaster the Government of Costa Rica was acting as a sovereign.

> Applying the extraterritoriality doctrine, the U.S. Court of Appeal in New York extended the protection of chapter 11 of the U.S. Bankruptcy Code to foreign states

However, the court seemed to be a bit uncertain on this point because it added that even if it should be proved that the contractual obligations were located in the U.S., the actions of the Costa Rican Government would still be recognised as valid in U.S. courts if consistent with the law and policy of the U.S. And to make clear that they were so consistent, the court cited President Reagan on continuation of U.S. assistance to Costa Rica, and Secretary of State George Schultz who expressed "full support for the Republic of Costa Rica and its democratic institutions as that country responds to the current economic crisis."

The court added, and this may be more significant than the quotes from the President and Secretary of State's pronouncements, that the Paris Club agreed minute signed by the U.S., recommended the rescheduling of Costa Rica's commercial obligation. The court was obviously very much aware of the fact that, with the exception of the lone appellant, the majority of banks do not wish Costa Rica declared to be in default because they would have to show in their books the debts to be as bad as they really are.

The banks may have achieved their short-term objective at the cost of sacrificing their negotiating position in the future. Quite apart from the absurdity of extending the application of the U.S. bankruptcy code to foreign sovereign debtors and their assets located outside of the U.S. where no judicial supervision of the "reorganisation" is possible, the method used by the court is likely to strengthen immensely the hand of sovereign debtors or, as in this case, of state-owned banks and other government enterprises.

Mr Jeffrey Barist, a partner in White and Case, who represented the Costa Rican Government, has this consolation to offer: "While (the judgment) gives the sovereign borrower one piece of protection it did not have before, it does not give the country the right to repudiate its debt." Not, indeed; only to postpone it forever.

** No 661—August Term, 1983. Allied Bank International as agent for a syndicate of 39 banks v Banco Credito Agricola de Cartago, Banco Anglo Costarricense and Banco Nacional de Costa Rica. Financial Times Business Law Brief, May 1984.*

† In Canada Southern Railway Co v Gebhard, 109 U.S. 527 (1883).

†† International Association of Machinists and Aerospace Workers v Organisation of Petroleum Exporting Countries, 649 F.2d 1354, 1360 (9th Cir. 1981).

Public Works Loan Board rates

Effective May 23

Years	Quota loans repaid by EIP†	Quota loans repaid At‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At‡	Non-quota loans A* repaid at maturity§
Three	11	11¼	11¼	12¼	12¼	12¼
Over 3, up to 4	11¼	11⅜	11⅜	12¼	12¼	12¼
Over 4, up to 5	11¼	11¼	11⅜	12¼	12¼	12¼
Over 5, up to 6	11¼	11½	11¾	12¼	12¼	12¼
Over 6, up to 7	11⅜	11⅝	11⅞	12¼	12¼	12¼
Over 7, up to 8	11½	11¾	12	12¼	12¼	12⅛
Over 8, up to 9	11½	11¾	12	12¼	12¼	12¼
Over 9, up to 10	11¾	11⅞	11⅞	12¼	12¼	12¼
Over 10, up to 15	12	11⅝	11⅝	12¼	12¼	12¼
Over 15, up to 25	11⅞	11½	11	12¼	12⅛	11⅞
Over 25	11	10⅞	10⅞	11½	11⅞	11⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Tunstall surges to £1.3m at midway

NEARLY AS much profit was earned by Tunstall Telecom Group in the six months to end-March 1984 as was achieved in the whole of the last full year.

Taxable profits for the period amounted to £1.29m and compare with £578,000 for the corresponding period and £1.39m for the 1982-83 year.

The results were achieved on turnover of £5.48m, against £3.14m, and included interest receivable of £62,000 (net interest payable £28,000).

Tunstall, a communications equipment manufacturer, joined the USM last June and forecast profits of £1.2m for the 1982-83 year. A dividend of 0.28p was paid in respect of that year and the directors have declared a 0.61p payment for the period under review.

Earnings per 5p ordinary virtually doubled from 3.1p to 6p in the first half on after tax profits of £840,000 (£405,000).

Mr M. J. Dawson, the chairman, says the interim results are "very satisfactory" and the order book is being maintained at a high level, giving rise to continued optimism for the remainder of the year.

He adds that "the phase II extension of our Whitley Lodge premises has now been completed and is fully operational, giving us capacity to maintain our growth."

Also, he says, the recent purchase of semi-automatic insertion equipment further enhances Tunstall's production capability, and an additional regional office has been opened in Birmingham to improve field services.

New radio-based products are on schedule for a June introduction which, Mr Dawson says, will broaden the company's product base and offer additional facilities to customers.

● comment

Tunstall Telecom group comfortably exceeded its profit forecast in its first year on the USM and is continuing to grow at an impressive rate. It has 70 per cent of the market in access control systems for the elderly, according to chairman Michael Dawson. The company is considering ways of developing and broadening its product base. Mr Dawson says expansion will probably be through organic growth. He has looked at the securities industry and not found any attractive takeover opportunities. The company has not begun to tap the private sector market and sees scope for expansion overseas. All the indications are that the present growth should continue making pre-tax profits of £3m for the year a possibility. The shares down 1p to 337p sell on a prospective p/e of 22.

Good beer sales lift Bass to £84m

CONTINUED GROWTH in the company's beer sales and an increase in market share helped lift turnover of Bass, brewer, by £102m to £1.11bn while pre-tax profits for the 28 weeks ended April 7, 1984 expanded by £21.9m to £84.4m.

Sales of Carling Black Label and Tennents showed above average increases and the volume of trading in all other sectors of the business was also higher—the group owns Coral Leisure Group, Pontin's and Holiday Club International.

Mr Derek Palmer, chairman, said later that the trend towards lighter beer "seems to be continuing all the time." He added that there might be some price increases during the second six months of the year, on a regional basis, and probably "no more than 1p a pint."

He added that about 44 per cent of the group's total beer production was now lager, up 4 per cent on last year.

Commenting on the group's leisure activities, he said the group was keen on building up its hotel empire in Europe, and was also looking towards expansion in the U.S., with the likely acquisition of an hotel chain to get its first foothold in the States.

Mr Palmar stated that the group could be interested in expanding its leisure activities in the UK through the acquisition of a company with the same sort of profile as Ladbroke's, although he declined to comment on whether any moves, either in this country or overseas, were imminent—market rumours have linked Bass with Ladbroke's, but the group has always refused to comment.

The directors say there has been an encouraging start to sales in the second half of the year, although they add that the substantial rate of growth in the first six months is unlikely to be maintained for the whole year, because of the exceptionally good summer in 1983.

Of the six months' turnover figure brewing, drinks and pub retailing contributed £853m (£775.3m).

Earnings per 25p share are given as 16.2p, compared with 12.4p and the interim dividend is increased from 2.93p to 3.3p—last year's final distribution was 8.43p and taxable profits amounted to £175m (£136.7m).

Trading profits for the 28 weeks amounted to £94.5m, compared with £75.5m and was split as to brewing, drinks and pub retailing £88.3m (£70.4m) and leisure £6.2m (£5.1m). The pre-tax figure was after interest of £10.1m against £13m previously.

Tax was up from an adjusted £22.1m to £31.7m and after minorities of £0.1m last time, and preference payments, £0.2m (same), the attributable balance came through ahead from £40.1m to £52.5m. Ordinary dividends absorb £10.7m, against £9.5m leaving £41.8m (£30.6m) retained.

Trading profits were after depreciation on tangible fixed assets of £29.7m (£27.8m).

Commenting on deferred tax, the directors say that indications are that the proposed Budget changes in rates of corporation tax and capital allowances will give rise to a provision presently estimated at £9m. No deferred provision has been made in the interim statement.

During the first half expenditure on fixed assets was £87.3m (£71.2m adjusted).

See Lex

HIGHLIGHTS

Lex looks at the half time figures from Bass where marginal volume gains have produced all, and more, of the profit advances hoped for on the back of the 1982-83 rationalisation measures. The column then moves on to examine the full year results from Boots which has run into slightly harder going on its pharmaceutical side and looks at whether the new retailing formula can really lead to a revival. Meanwhile in the oil sector Ultramar is participating in a complex deal to buy the bits it wants of Enstar, a U.S. oil company. Finally Lex comments on the Governor of the Bank of England's speech.

London & Northern hits record £15.5m

PROFITS before tax of the London and Northern Group rose from £9.81m to £15.51m in 1983 and trading in the current year is described as "satisfactory."

The record level of profits reflected a substantial contribution from overseas civil engineering, a contribution from United Medical Enterprises from June and improved results in the UK.

Earnings for the year amounted to 12.8p (10.1p) and a final dividend of 2.8p lifts the net total to 4.5p (4p) on the enlarged share capital, which compares with a forecast of 4.2p made at the time of the £15.54m rights issue last June.

Turnover totalled £226.58m. The corresponding figure for 1982 amounted to £223.61m but included £62.74m turnover of companies no longer in the group—London and Northern has interests in construction, building products and oil support services.

Tax accounted for £5.77m (£3.67m) and after minorities of £601,000 (£345,000) available profits emerged at £9.13m, against £5.79m.

There was also an exceptional tax charge on prior years profits remitted by an overseas associate of £1.95m and extraordinary credits of £491,000 (£3.65m debits).

Adjustments to deferred tax and lease rentals arising from the 1984 Finance Bill amounted to £5.1m.

United Medical Enterprises, in association with its partners, has recently been awarded a £250m (£180m) contract for the management of four hospitals in Saudi Arabia for a three-year period. It already had existing contracts there, in the United Arab Emirates and elsewhere.

After six months London and Northern had increased its profits from £3.51m to £4.08m and in their interim report the directors expected second half figures of the enlarged group to show further improvement.

The interim profits included a proportionate pre-tax contribution of £232,000 for eight days from the acquisition of United Medical.

● comment

The purchase of United Medical Enterprises has wrought a dramatic change at London and Northern, moving a rather stagnant construction group into a rapidly expanding sector. A profits breakdown will come only with the annual report, but UME contributed an estimated £5.5m, all in the second half. Equally importantly, UME has just secured a major Saudi contract which adds about 600 beds to the 1,000 already under management, a UK hospital is close to completion and three more are planned. The construction businesses accounting for about four-fifths of group turnover, suffered from a slowdown overseas due largely to the fact that a Dubai-Oman road building project is close to completion, while replacement orders have been hit by the general dearth of finance. But building in the UK picked up, especially housebuilding which rose from 750 to 1,000 units with more progress on the way this year. There were gains also in the smaller building products and the Scottish oil support divisions. The group should make about £19m pre-tax this year, with more to come next year, given the timing of contracts which the overseas and UME businesses have won and are likely to win. The shares, down 4p at 89p, trade on an undemanding prospective p/e of about 7.

Bemrose warns of short-term profit setback

MR DAVID WIGGLESWORTH, chief executive of Bemrose Corporation, the specialist packaging and printing concern, warned holders at the AGM that two unexpected and non-recurring matters would adversely effect profits in the first half of the current year by some £0.75m.

However, he predicted a good recovery in the second six months and an at least maintained total dividend of 11p.

For 1983, pre-tax profits were £3.21m (£3.06m), with £1.15m (£1.03m) of this falling in the first half.

Mr Wigglesworth reported to the meeting that, though there were inevitable variations in demand in the various sectors of printing and packaging served by the company, overall market conditions in the early months of 1984 were similar to the latter months of 1983.

In packaging, which accounts for half of group sales, there was little change. However, advertising calendars and diaries have made a good start to the 12 months.

He reported that revolutionary changes were taking place in the ordering and production of cheques—the company's single most important product—that £3m had been invested in high technology computer and laser equipment and drum printers and that the group had secured a large amount of business from both National Westminster Bank and Barclays Bank. This would be a major added strength to Bemrose over the next five years, he stated.

Nevertheless, the process of switching to the new systems had caused a greater than anticipated reduction in cheque book stocks by the banks. This resulted in a severe, though temporary, reduction in the volume of cheque production which, together with inevitable one-off start up costs, would have a consequent adverse effect on 1984 first half profits. The company was, however, building up to full scale production which had been scheduled for July.

First half profits had been adversely affected by one other important factor, said Mr Wigglesworth. A new text processing system which was being developed for the Bemrose information printing unit by an external supplier, had proved totally unsatisfactory.

The project suffered from repeated delays and shortcomings and, following independent advice taken in April, the company decided to cancel

Avon rises to £1.31m and doubles payout to 2p

THE directors of Avon Rubber, tyres and related products and industrial polymers manufacturer, are doubling the interim dividend to 2p on the back of a boost in taxable profits from £729,000 to £1.31m. Turnover for the six months ended March 31 1984 increased from £85.33m to £90.1m.

The board states that profits in the second half are expected to show further growth. Although competition remains severe in most of the company's markets, particularly in those for tyres, good results are being achieved in the non-tyre business.

In their last annual review the directors reported pre-tax profits of £2.32m, compared with losses of £1.04m, and said that all sectors had returned a profit for the period.

The pre-tax figure for the six months was after depreciation of £1.38m (£1.22m), share of associates, £176,000 (nil), and interest payable and similar charges of £1.31m (£1.55m restated).

Tax charged was £200,000, against £40,000, and, after minorities of £46,000 (£9,000 credits), the attributable balance came through ahead from £698,000 to £1.06m.

Earnings per £1 share were 5.5p up at 15.8p.

● comment

Any slight disappointment with Avon's first-half performance above the line was quickly dissipated by the unexpectedly-low tax charge, thanks mainly to the combined reliefs available from accumulated losses and the high overseas element of profits. In essence, the sales gain has come from the polymers and inflatables businesses while the former backbone — the tyre manufacturing operations—suffered from a depressed replacement market in the second quarter—a feature, too, of the retail end of the market as confirmed by the recent Kwik-Fit figures. But the underlying trend continues to suggest that last year's recovery trend is consolidating itself after the strategic decision to reduce the company's exposure to high-volume tyre manufacture in favour of industrial polymers, which probably contributes more than 40 per cent of group profits now. The only uncomfortable feature of the results continues to be the high level of gearing: borrowings are almost as much as shareholders' funds. Now that the company's trading strategy seems to be working, it cannot be long before management turns its attention to the balance sheet and the long-awaited rights. On the present trend £4m pre-tax looks possible this year. At the current tax rate a prospective p/e of 3.2 at 167p, down 3p, looks remarkably undemanding for a good recovery prospect.

Boots soars £25m and reveals plans for further growth

MAINTAINED growth through the second half enabled Boots to lift its pre-tax profits by £25m (or 17.8 per cent) to £165.1m for the full 12 months to end-March.

The majority of the rise came from the retail division, which takes in Boots the Chemists and Timothy Whites. Here, profits before interest, rose by £12.6m to £82.7m.

The industrial activities, which include pharmaceuticals, added £6.1m more at £60.5m but the associates' contribution fell from £3.5m to £1.8m. There was a £16.5m (£14.5m) surplus from the disposal of properties and a credit of £3.6m (£2.4m debit) from net interest and unallocated items.

Shareholders benefit from the improved results. A final dividend of 3.5p lifts their total payment from an adjusted 4.75p to 5.5p net per 25p share.

Earnings, pre-extraordinary items, came through at 14.4p, against a previous 12.7p.

Dr Peter Main, the chairman, says the group achieved a great deal during the year and, as forecast, maintained growth in the second half against a buoyant out-turn last year.

He tells shareholders, however, that there is still a great deal to achieve and that from an increasingly strong financial base the group is looking at acquisitions (both big and small) where these answer its needs in terms of profit growth, new products, or geographical representation.

With a liquid position of £100m Boots is looking in the industrial area in both the U.S. and Europe, with Germany a major interest.

Under their new managing directors both divisions "face a year of challenge and opportunity."

Group turnover for 1983-84 rose from £1.67bn to £1.83bn, excluding VAT.

Tax charge accounted for £59.8m (£46.9m) minorities for £0.9m (£0.7m).

Below the line extraordinary items added £23.9m (took £13.2m). These comprised a profit after tax on the disposal of a related company, amounting to £11.1m, and a profit on the disposal of surplus houseware premises totalling £12.8m.

The directors have provided £35m out of reserves for deferred tax as a consequence of the changes in tax allowances on capital expenditure proposed in the 1984 Finance Bill.

Staff in the UK will participate in a bonus fund of £11.3m, based on trading profits earned in this country. They can receive either cash or ordinary shares.

The group's share of FBC Holdings was sold during 1983, and only six months results were included in the full figures. This was a major factor in limiting the industrial division's overall profit increase to 7.6 per cent—Boots and Fisons agreed to sell their joint investment in the agrochemicals company last July in a £120m deal.

Pharmaceuticals had a difficult year in the UK and some overseas countries, but in others, notably the U.S., excellent progress was made.

Consumer products again achieved increased sales, but continued to bear the expense of new product launches, the most important of which was Nurofen.

This new over-the-counter analgesic, was launched in the UK in August 1983 and sales have "exceeded expectations."

A similar product, Advil, was launched this week in the U.S.

● Boots will be using the Hugin Group's Alpha 4200 as its new electronic cash register. A substantial order has been placed for installation before March 1985 and deliveries are expected to commence in June.

See Lex

DIVIDEND ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Irish	5	—	4.09*	9.5	8.18*
Avon Rubber int	2	July 9	1	—	3
Bass int	3.3	July 23	2.93	—	11.36
Boots	3.5	July 19	3*	5.5	4.75*
Buckley's Brewery	1.7	—	1.7	2.45	2.45
Delyn	1.5	July 13	1.5	2.5	1.5
Walter Duncan	12	July 2	12	12	12
Emray	0.5	—	0.5	0.75	0.5
Irish Distillers int	1.5†‖	July 31	1.5	—	6.5
Jersey General	7‡	July 25	6.25	12	11
London & Northern	2.8	July 9	2.5	4.5†	4
Redfearn Glass int	Nil	—	Nil	—	0.1
Robert Moss	1.7	July 18	1.34	2.5	2
Senmah Rubber	35¶	—	25	35	25
Sidlaw int	6	Aug 10	5	—	16
TR Property	1.95	July 25	1.7	3.15	2.8
Tunstall Telecom‡ int	0.61	July 31	—	—	0.28
Whitbread Inv	3.96	—	3.59	5.9	5.35

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Gross throughout. ‖ Irish pence throughout.

TECHNOLOGY

EDITED BY ALAN CANE

REORGANISATION OF SAAB SCANIA'S SMALL TECH COMPANIES

Combined skills for future growth

BY ELAINE WILLIAMS RECENTLY IN JONKOPING, SWEDEN

TECHNICAL excellence is the one thread which holds the Saab Scania Combitech group together. It was formed about 18 months ago when the international car and aerospace company split off its relatively small advanced engineering and design companies into one group.

Saab Scania felt that entrepreneurial side of small business could flourish by giving individuals more responsibility.

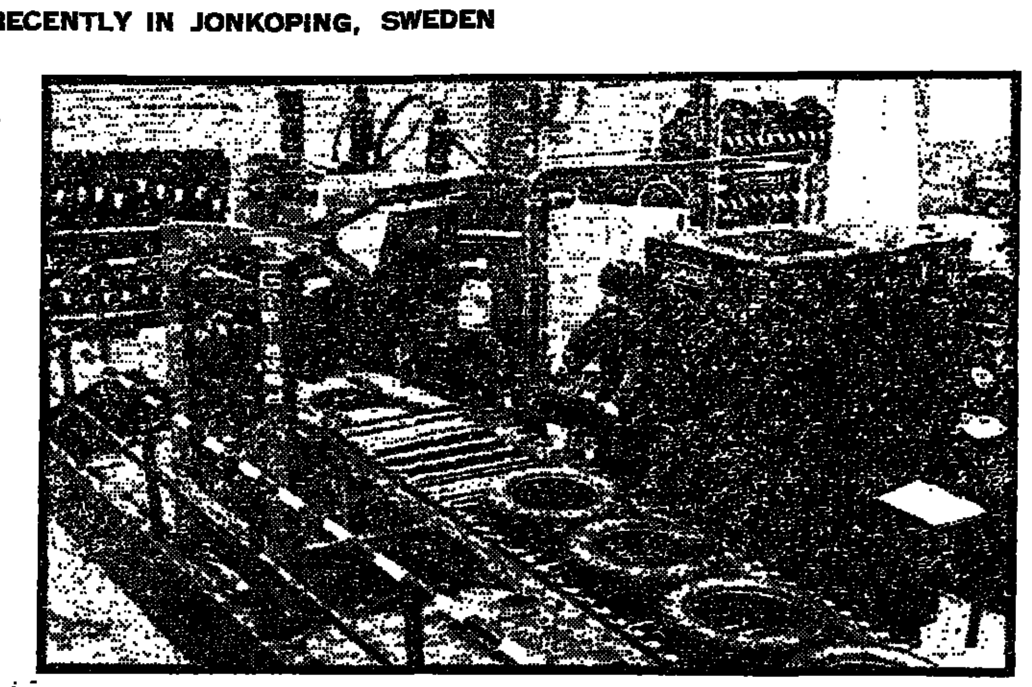
Mr Per Risberg, managing director of the newly formed Combitech group, said: "We have a lot of small businesses within the Combitech group. If we think of Saab Scania as a whole, it represents a minority interest." Combitech is, however, in a number of market segments such as industrial automation where growth is likely to boom over the next few years.

The 18 businesses within the Combitech group account for about US$90m sales and $7.5m profit last year. In 1984 the company hopes that sales will rise by nearly 25 per cent to $130m and profits up to $9m. The Saab Scania group as a whole has a turnover of about SKr 20bn with 40,000 employees worldwide.

Each individual business is niche-oriented but all have the common theme in that they apply a combination of specialist techniques such as optics, hydraulics, electronics and computing to a particular problem.

In fact the Combitech group does not have a central research organisation; specialists work in individual companies and are encouraged to exchange ideas within the group. To help this, the company has employed Mr Christer Aderstedt a technology transfer manager. His full-time job is to make Combitech companies aware of each other's know-how, give lectures and form research links with universities. Technical papers are published in an internal magazine and workers are encouraged to prepare them.

Mr Risberg commented: "It is a drastic move not to have a central research department and no large-scale laboratories. But we could not cope with a centralised solution." Of the 1,750 employees within the group more than half are engineers of one kind or another.



Gislaved has improved the quality and consistency of its stud insertion with an automated machine using vision to detect the presence of a hole

Managing directors of the companies — the smallest of which employs only 50 people — may also be actively involved in the research and development of new products and are given a chance to develop the market in their own way. Funds for research are generated by sales. About 60 per cent of the business is military contracts such as in weapon training systems based on laser technology produced by Saab Training Systems, for example.

Combitech, however, is intent on building up its industrial business and will try to attack the rapidly growing automation market. Mr Aderstedt said that it was important that engineers who develop such systems are close to the customers which was another reason why the company has no central research.

Optics is an important area of expertise which is applied in many of the 18 companies. Combitech has a vision system based on this area of research. It costs about £8,000 which makes it a very price-competitive system in the industrial market.

Flexible manufacturing covers an enormous range of applications which include optical systems. This business is handled by Saab Automation the largest company in the group. One of Saab Automation's most complex and difficult jobs was to develop an automatic way of inserting studs into tyres for Gislaved, a Swedish manufacturer. The main problem was that stud holes are not placed at a uniform distance from each other. This is to prevent resonance when the wheels are in motion.

Engineers developed a vision system which could detect each hole which is no easy feat when one considers that the camera is searching for a black hole in a black tyre. The tyre is slowly rotated to hunt for each hole in its unique position, and then presented to the stud insertion machine. There may be up to 60 studs in each tyre which can be inserted at a rate of about one a second.

Another large job was automatic bin routing at the Swedish Post Office's letter sorting office at Tomteboda in Stockholm. Each bin carries letters and parcels for one destination and is marked with a bar code—a system of vertical black and white stripes which can be converted into computer digits.

Some 36 visual readers placed on the moving conveyor read and direct 2,000 bins a day. There are more than 180 locations within the country which Tomteboda sorts. This system avoids the need to type in the post code by hand on each letter. It has been operating since October last year and similar systems may be installed throughout Sweden.

In a West German steel plant, Combitech engineers have built a system which automatically analyses blemishes in rolled steel. As the steel sheets move across the conveyor sections are heated by induced electromagnetism. An overhead infra-red sensor can detect variations in the heat pattern which indicates a fault. The sensor system then guides a colour jet to mark the position of the fault.

Mr Jörgen Lindgren, managing director of Saab Automation, says that flexible manufacturing systems are not just for saving labour costs, they can have an influence on the overall balance sheet by reducing stock levels and reducing production time. Mr Lindgren said that in some applications, customers had reduced throughput time from six weeks to one week for certain products. Such business is growing at a rate of about 40 per cent a year. "We are just skimming the surface of this," Mr Lindgren commented.

UK BOILER COMPANY DEVELOPS IMPROVED SYSTEM

Burning gas more efficiently

DR JIM THURBY decided to leave the Glywed group after its reorganisation and set up a new company to develop and sell more efficient boilers for use in the home.

With some of his own money, a £750,000 start-up grant from the government and a further £50,000 from the British Technology Group, Trisave started operation last October.

Trisave sells a condensing gas boiler which is about 92 per cent efficient. This compares with about 75 per cent for conventional free standing and wall mounted versions. It works by removing the heat from flue gases inside the boiler before expelling them. This means that waste flue gases leave the boiler at a temperature of 50 deg C instead of 250 deg C. It uses the heat exchanger principle.

Also when the boiler finishes its heating cycle all the heat is removed from the heat exchanger so that it will begin in the condensing cycle on start up so losing little or no efficiency during this period.

These boilers are recommended for the larger three to five bedroom houses as they cost about £200 more than conventional ones. However, once the company's sales and production has built up the price will be more closer to existing systems. In such large homes, Trisave says that between 20 and 25 per cent of the total central heating bill can be saved or about £80 a year less in heating costs.

It is the only condensing boiler in the UK which has been approved by British Gas and is sold through some of the regional gas boards. Condensing boiler designs were pioneered in France and the Netherlands in the late 1970s. The Dutch government even provides a substantial grant to homes which instal more efficient boilers because of the concern about conserving gas reserves.

Trisave worked closely with the Combined Technology Corporation, based in London, to improve the boiler design. In September it hopes to launch a wall unit gas boiler at a cost competitive with existing mounted boilers and of higher efficiency.

Some 580,000 boilers are sold in the UK every year by manufacturers such as Tube Investments, Thorn Potterton and Stelrad. Of this about one quarter are for the larger homes. Dr Thurby said that the company was hoping to gain 3 to 4 per cent of the market. If sufficient volume sales are achieved, Trisave will set up a new factory instead of subcontracting the work to other companies.

One of Dr Thurby's concerns is that the company will get a name for quality and each boiler is individually tested before it gets to the installer. Here again, Trisave hopes to be selective in supplying boilers to installing engineers of which there are more than 9,500 listed in the UK.

ELAINE WILLIAMS

Components

Chip controller

SINGLE chip controller applications are the main functions of a new eight bit chip from Hitachi. Called the HD5305Y0 it contains 8k bytes of read only memory, 256 bytes of randon access memory, 55 input/output lines, two times and a communications interface on a single chip. It has more than 93,000 transistors which makes it a very complex component. More details from the company in the UK on 01-681 1414.

ENGINEER FINDS WAY TO CUT PAPER-MAKING COSTS

Jet fluffs pulp for energy saving

RAGNAR EK has spent more than four years developing a way to save the pulp and paper industry money while increasing the quality of the finished paper.

His idea was to use a gas jet to "fluff" or shred pulp instead of using mechanical equipment which is based on a rotary press. The jet fluffer does away with moving mechanical parts.

The paper industry uses this shredding process because most export paper in the form of pulp from which most of the water has been removed. It is cheaper and lighter to transport in this form. Then water is added and paper produced. Mr Ek found that with his jet system fibres produced fewer "knots" compared with the mechanical system. Such imperfections reduce the overall quality of the final product.

The jet is used after an initial gentle pressing of the pulp to remove some water.

A full-scale version of the jet fluffer has been installed by Mr Ek and his partner at a pulp mill in Norrland in the north of Sweden. Results are very encouraging and initial tests have shown that the paper mill is likely to save SKr 1m in energy costs.

Before setting up his own Ragner Ek worked in Stockholm with the paper industry's own research institute where he formulated the idea for the jet system. In Sweden it is possible to get Government funding for a good idea and other companies such as Svenska Cellulosa and A/S Niro Atomizer provided additional technical and financial support.

Information

Swiss videotex

A SWISS public videotex system has now started. It was developed by ITT's subsidiary, Standard Telephone and Radio for the Swiss telephone administration. Videotex has been under trials in the country since 1979. Three thousand subscribers are being chosen for the first public trials at Berne which offer information in French, German and Italian.

SECURITY EQUIPMENT

Microprocessors keep a watchful eye

SECURITY EQUIPMENT company Munford and White of Richmond believes it is the first to make use of an uncommitted logic array (ULA) in a system control panel.

These control panels allow the user to set and operate protection systems containing such things as window and door contacts, pressure mats, infra-red detectors and other sensors.

The company's professional models use microprocessors programmed at the factory to the customer's requirements. But for a lower cost model the company is supplying to Coloroll of Nelson, Lancs, for a "do it yourself" house protection kit, a ULA from Smiths Industries is being used.

Development manager Mr M. Bone says that apart from yielding a very good performance/cost ratio, use of the ULA also makes the design much more difficult to copy. There is no vulnerable software in memory that can be stolen. The chip is programmed by cutting certain physical links at the factory.

The "Housewatch" security system runs from the mains but has a standby battery in case of a power cut. The company chose a logic array from Micro Circuit Engineering of Tewkesbury to take advantage of CMOS circuitry with its corresponding low power consumption, giving extended battery operation. More on 01-940 8334.

Environment

Flood research

THE BRITISH Hydromechanics Research Association at Cranfield in Bedford is to hold an international conference on floods and flood control at the end of September. The conference will deal mainly with ways of developing models to investigate flooding and its prevention. More details from the BHRA on 0234 750422.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday May 24 1984

Japanese banks active in Eurobond issues, Page 50

WALL STREET

Confidence restrained at lower level

RENEWED firmness in short-term interest rates subdued New York's financial markets yesterday. There was further selling of leading stocks at first but the market then settled down to trade around its newly depressed levels, *writes Terry Byland in New York.*

Investment confidence was still restrained by the backwash of the Continental Illinois rescue operation and also by the tensions in the Gulf.

Credit markets were uneasy behind a federal funds rate hovering around 10¹¹⁄₁₆ per cent. Confirmation that Continental Illinois has succeeded in reducing its borrowings from the Federal Reserve heightened conjecture that the Fed would now feel free to tighten its credit grip.

The bond market weakened at mid-session, although selling pressure was light. Traders were discouraged by President Ronald Reagan's apparent support for the Fed's credit stance. The defeat of the bill to raise the ceiling on the federal deficit had little effect on the markets.

The stock market looked steadier after the shake-out of the previous session but buyers remained very cautious. Interest focussed around a batch of special situations.

The Dow Jones industrial average closed 2.82 down at 1,113.80.

There was further active trading in stock of Continental Illinois, with the price dipping an early $⅛ to a new low of $8 as the search for a merger partner continued.

Esmark continued to trade strongly, adding a further $1 to $57⅞ with Wall Street hopes of a bid battle encouraged by lukewarm endorsement by the Esmark board of the $56 a share offer from

The closing Wall Street report, updated U.S. market monitors and late Canadian prices were unavailable because of continuing industrial action at the Financial Times' printers in Frankfurt.

Beatrice Foods. "In the absence of anything else happening, we are going to be acquired by Beatrice," said an Esmark vice-president.

Another snub for Beatrice came from Standard & Poor's, the debt rating agency, which put the food group on "negative creditwatch" after reviewing the implications of the $1bn Esmark debt should Beatrice succeed in its $2.5bn takeover bid. At $28⅞, Beatrice dipped $⅜.

Enstar, which has interests in natural gas in Indonesia, shaded down $¾ to $17⅞, in line with the $18 a share offered for 54 per cent of the equity by Allied of the U.S. and Ultramar of the UK.

But the star of the takeover sector was Walt Disney, which jumped $1¾ to $64⅞ as the market pinned its faith on a possible bid move from Reliance Holdings, which already has a significant stake.

Despite the fall in Tokyo, Japanese issues improved on Wall Street, led by Kyocera $4¼ up at $50½, and Matsushita, $2½ higher at $73¾.

Among the U.S. industrial stocks, IBM gained $⅛ to $108¾. General Motors $⅛ to $62⅝. Fod $⅛ to $35⅝, and Honeywell $⅜ to $50⅛.

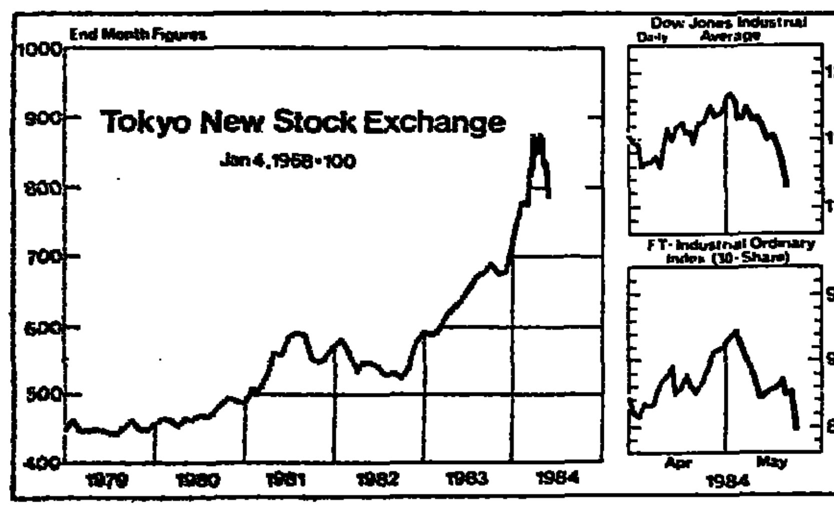
Stock in Standard Oil of Indiana, which is to buy in up to 10.3 per cent of its equity over an undisclosed period, eased $⅜ to $58¾. Investors were disappointed that there was no sign of immediate purchases.

Short-term rates slackened in the wake of the statement on Continental Illinois' borrowings. In the Treasury bill market, which also faced a sale of $4bn in new bills late in the session, three-month discounts dipped 12 basis points to 12.88 per cent and the six-month 5 basis points to 10.44 per cent.

The auction resulted in average yields of 9.95 per cent on the tranche of 77-day bills and 10.51 per cent on the 168-day bills.

The bond market rallied from midsession weakness to show minor falls. The key long bond at 98⅝ was ⅛ down.

KEY MARKET MONITORS



STOCK MARKET INDICES

	May 23	Previous	Year ago
NEW YORK			
DJ Industrials	1113.80	1116.62	1200.56
DJ Transport	468.11	470.68	540.77
DJ Utilities	124.71	126.19	127.91
S&P Composite	153.12*	153.89	163.43
LONDON			
FT Ind Ord	847.6	856.3	700.6
FT-SE 100	1075.4	1084.6	913.1
FT-A All-share	505.80	510.44	428.49
FT-A 500	553.19	558.98	465.16
FT Gold mines	642.8	655.2	638.3
FT-A Long gilt	10.67	10.66	10.45
TOKYO			
Nikkei-Dow	10,023.46	10,061.94	8,528.64
Tokyo SE	787.40	790.28	629.03
AUSTRALIA			
All Ord	694.4	700.6	599.7
Metals & Mins	463.7	464.5	530.5
AUSTRIA			
Credit Aktien	54.81	54.66	57.76
BELGIUM			
Belgian SE	153.06	151.82	120.04
CANADA		Previous	Yr ago
Toronto			
Metals & Mins	1914.4*	1917.0	—
Composite	2209.3*	2219.3	2389.2
Montreal			
Portfolio	106.33*	106.61	—
DENMARK			
Copenhagen SE	187.68	188.88	140.08
FRANCE			
CAC Gen	173.2	173.3	123.5
Ind Tendance	107.7	108.0	75.5
WEST GERMANY			
FAZ Aktien	349.40	351.05	311.79
Commerzbank	1015.6	1019.8	932.2
HONG KONG			
Hang Seng	912.15	923.77	902.71
ITALY			
Banca Comm	208.70	205.89	191.7
NETHERLANDS			
ANP-CBS Gen	161.3	163.8	123.4
ANP-CBS Ind	128.3	130.7	101.5
NORWAY			
Oslo SE	293.76	289.46	183.81
SINGAPORE			
Straits Times	928.57	932.17	919.26
SOUTH AFRICA			
Golds	996.3	1002.0	898.8
Industrials	1064.0	1065.1	947.0
SPAIN			
Madrid SE	119.92	120.48	115.9
SWEDEN			
J & P	1442.09	1463.28	1456.2[illegible]
SWITZERLAND			
Swiss Bank Ind	[illegible]	370.8	[illegible]
WORLD	May 22	Prev	Year ago
Capital Intl	177.9	179.3	175.6

GOLD (per ounce)

	May 23	Prev
London	$377.75	$378.20
Frankfurt	$379.25	$379.00
Zurich	$378.75	$379.75
Paris (fixing)	$378.55	[illegible]
Luxembourg (fixing)	[illegible]	$379.75
New York (May)	$378.60	[illegible]

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR May 23	Previous	STERLING May 23	Previous
$	—	—	1.3805	1.399
DM	2.7505	2.744	3.80	3.815
Yen	231.6	233.25	320.0	324.25
FFr	8.4575	8.44	11.675	11.72
SwFr	2.271	2.267	3.1375	3.1525
Guilder	3.096	3.0885	4.275	4.2925
Lira	1694.0	1691.5	2337.0	2349.0
BFr	55.88	55.72	77.15	77.4
C$	1.29475	1.29475	1.7875	1.7985

INTEREST RATES

	May 23	Prev
Euro-currencies (3-month offered rate)		
£	9⅞	9¾
SwFr	4⅛	4
DM	5⅞	6
FFr	13⅛	12¾
FT London Interbank fixing (offered rate)		
3-month U.S.$	11¼	11⅛
6-month U.S.$	12⅛	12
U.S. Fed Funds	10⅛	10¼
U.S. 3-month CDs	11.28	11.20
U.S. 3-month T-bills	9.91	10.04

U.S. BONDS

Treasury	May 23* Price	Yield	Prev Price	Yield
11⅞ 1986	99[illegible]	12.52	99[illegible]	12.52
12⅜ 1991	95[illegible]	13.37	95[illegible]	13.38
13⅛ 1994	98[illegible]	13.45	98[illegible]	13.48
13¼ 2014	98[illegible]	13.51	98[illegible]	13.51
Corporate	**May 23***		**Prev**	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	87½	13.50	87½	13.50
3⅜ July 1990	70	10.70	70	10.70
8¾ May 2000	67	13.95	67	13.95
Xerox				
10⅞ March 1993	83⅛	13.95	83⅛	13.95
Diamond Shamrock				
10¾ May 1993	82⅜	14.10	82⅜	14.10
Federated Dept Stores				
10⅞ May 2013	74¼	15.95	74¼	15.95
Abbot Lab				
11.80 Feb 2013	94¼	14.05	94¼	14.05
Alcoa				
12¼ Dec 2012	85⅝	14.40	85⅝	14.40

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
June	61–24	62–03	61–22	62–25
U.S. Treasury Bills (IMM)				
$1m points of 100%				
June	89.73	89.94	89.65	89.62
Certificates of Deposit (IMM)				
$1m points of 100%				
June	88.46	88.47	88.36	88.36
LONDON				
Three-month Eurodollar				
$1m points of 100%				
June	88.29	88.30	88.24	88.24
20-year Notional Gilt				
£50,000 32nds of 100%				
June	103–12	103–20	103–11	103–15

COMMODITIES

(London)	May 23	Prev
Silver (spot fixing)	656.20p	653.70p
Copper (cash)	£1021.25	£1013.75
Coffee (May)	£2487.50	£2447.50
Oil (spot Arabian light)	$28.37	$28.47

LONDON

Sentiment remains sensitive

TRADING conditions in London stock markets remained extremely sensitive yesterday, with sentiment again marred by the miners' dispute and doubts about UK economic prospects. As a result, equities met a further wave of nervous selling.

The FT Industrial Ordinary index closed 8.7 lower at 847.6 for a two-day fall of 28.6. Several large lines of stock came on offer, mainly in the electrical leaders.

Plessey fell to 199p before settling 4p down at 206p amid suggestions that it might bid for British Aerospace, currently in merger discussions with Thorn EMI.

Gilt-edged securities traded on a slightly steadier note before settling a fraction lower on balance.

Chief price changes, Page 42; Details, Page 43; Share information service, Pages 44–45

AUSTRALIA

THE DOWNWARD spiral continued in Sydney as industrials took their turn to suffer the brunt of the selling. The All Ordinaries index slid 6.2 more to 694.4, below the 700 mark for the first time since early November.

Among the few firm spots was market leader BHP, which rallied 10 cents to A$9.90 after Tuesday's 50-cent fall. Bougainville Copper edged up 2 cents to A$2.23, but golds and many energy issues lost ground.

Mr Rupert Murdoch's News Corporation lost 30 cents at A$9.30, while 10-cent setbacks were common to ANZ Bank at A$5.52 and retailer Coles at A$3.65.

HONG KONG

A NARROWLY mixed Hong Kong result featured scattered institutional selling, and an 11.62 dip in the Hang Seng index at 912.15, but also decent gains in some leading issues to build on Tuesday's resurgence.

The half-day session left Cheung Kong 10 cents off at HK$8.20 and Jardine Matheson down 25 cents at HK$8.90.

SINGAPORE

BUYING support remained elusive in Singapore, but sellers did not re-emerge in any great numbers, and the Straits Times industrial index settled 3.60 lower at 928.57.

Tuan Sing Holdings rose to head the actives list but finished unaltered at 82 cents. It was followed in volume by Faber Merlin, 1 cent stronger at S$1.73, and Promet, off 10 cents to S$2.70.

Malayan Banking was a weak spot with a 25-cent fall at S$8.85 but OCBC firmed 5 cents at S$9.70, as did Straits Trading at S$5.70.

SOUTH AFRICA

LOSSES among Johannesburg golds continued but were no longer uniform, with isolated issues such as Randfontein managing a R1.50 rise at R187.50. More in line with the trend, though, was a R3 fall in Hartebeestfontein at R100.

Amid late news that Anglo-American had taken another 5.6 per cent in Gold Fields of SA, shares in both mining houses fell 30 cents to R21.70 and 50 cents to R27.50 respectively. Barlow Rand, a 5.2 per cent stake in which was exchanged for the GFSA holding under a swap deal with the Old Mutual insurer, firmed 20 cents to R14.30.

CANADA

GOLD issues led Toronto lower, but property issues were also marked down sharply. The energy sector followed, but base metals and minerals held up somewhat better.

Utilities both there and in Montreal fared poorly, while the more westerly centre showed slightly better support for banks than for the industrial side.

TOKYO

Hold on five figures just retained

AN INCREASINGLY cautious mood developed in Tokyo yesterday in the wake of the continued drop on Wall Street, and stock prices declined almost across the board, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow Jones average of 225 select issues tumbled below the 10,000 mark immediately after the opening and stayed there until shortly before the close, when leading investment trusts started buying some blue chips. The indicator, which had lost more than 110 at one stage, scraped over the bar to finish at 10,023.46, down 38.48.

Losses outpaced gains 442 to 229, with 142 shares unchanged. Transactions continued low at 246.26m shares compared with 231.38m.

Wall Street's decline to another record low for the year led investors to sell, notably paper-pulps, non-ferrous metals, electricals and steels, in small lots. The downtrend halted late in the afternoon session as the big investment trusts each purchased an estimated 1m blue chips.

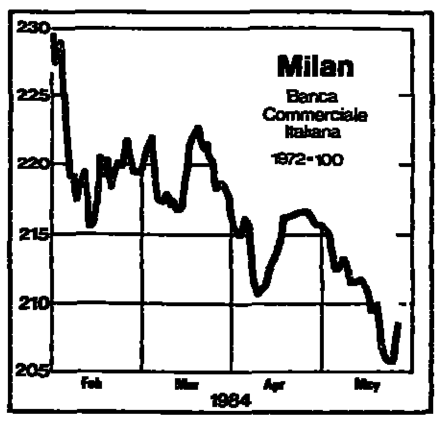
Kyocera, which shed Y100 the previous day, staged a steep Y330 rally to Y5,890, while Pioneer jumped Y100 to Y2,690 after losing Y60 the previous day. The investment trusts also sought Ajinomoto, Y40 ahead at Y1,090, and Green Cross, although it ended that much lower at Y1,730.

They said the issues had reached trough zones, but some observers saw the purchases as a bid to prevent the market indicator from finishing below the 10,000 barrier and further dampening sentiment.

Teac plummeted a further Y100 to Y800 under heavy selling pressure. In contrast, Asahi Chemical attracted buy orders on speculation that the company would shortly start clinical experiments for tumour necrosis factor, a possible anti-cancer agent. It closed at Y579, up Y4, and headed the actives list on 20.35m shares.

Non-residents continued selling, placing sell orders for 39m shares with the big four securities houses in the morning, against buy orders for 8.5m.

Trading was slow on the bond market. Financial institutions slightly stepped up both selling and buying in view of a minor rally in the yen against the U.S. dollar, but remained shackled by concern about U.S. interest rate movements. The yield on 7.5 per cent government bonds due in January 1993 rose from 7.375 per cent the previous day to 7.40 per cent.



EUROPE

Bears still much in evidence

THE BEARS continued to prowl on European bourses yesterday, leaving Italy the only market to resist a downward drift which finally snared West Germany after two days of resistance.

An active technical rally in **Milan** helped erase some of the losses incurred earlier in the week as the Banca Commerciale index gained 2.81 to 208.70. Unofficial after-bourse trading consolidated many gains with insurer RAS prominent, in a generally higher insurance sector, with a L900 rise to L49,100. Generali rose L1,390 to L35,490.

Holding companies were active with Bastogi advancing L18.4 to L128.6 after trimming its losses last year and La Centrale, a possible takeover target, surrendering L115 to L2,150.

Among industrials, Fiat moved L19 up to L4,129 but Olivetti slipped L35 to L5,115.

Bonds closed mixed in active trading.

Dull **Frankfurt** trading had most investors on the sidelines ahead of today's negotiations on the 35-hour work week. The Commerzbank index dropped 4 points to 1,015.8 as most blue chips sustained small losses. Good trading results, however, proved an antidote to the malaise.

Daimler's 5 per cent rise in first-quarter turnover was sufficient to merit a 50 pfg rise to DM 572.50 in a generally unchanged motor sector. Porsche finished DM 11 down at DM 1,019 while BMW was DM 2.80 cheaper at DM 383.70.

Bonds traded quietly with price changes of about 10 basis points either way. The Bundesbank sold DM 24.5m of public paper after Tuesday's sales of DM 36.5m.

The lower overnight Wall Street performance and concern over developments in the Gulf hit **Amsterdam** with internationals again proving vulnerable.

KLM hit a new low for the year with a Fl 2.60 loss to Fl 162.90, while Akzo shed Fl 1.80 to Fl 94.

Elsewhere, Heineken dropped Fl 2.50 to Fl 128.50 amid plans to take a stake in a Spanish brewery.

Bonds finished mainly unchanged in featureless trading.

Disappointing economic indicators left **Paris** narrowly mixed despite the start of the new monthly trading account when prices traditionally benefit from investors establishing new positions.

Weaker issues numbered Bouygues, FFr 5 off at FFr 663 as it announced that it would not proceed with the takeover of Amrep, which was again suspended. Amrep closed on Tuesday at FFr 111.

Weaker banks turned **Zurich** lower again. Bank Leu dropped SwFr 60 to SwFr 3,900 and Swiss Bank SwFr 7 to SwFr 346. Insurer Winterthur retreated SwFr 20 to SwFr 3,000 on its earnings report for 1983.

Industrials were little changed. Bonds declined on interest rate worries.

A trendless **Brussels** left shares mixed, while steels and chemicals were firm in an otherwise lower **Madrid**.

Stockholm staged a broad retreat with Volvo hard hit by a SKr 23 fall to SKr 466.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅝	13¾	AAR	.44	2.2	21	77	19⅛	19¼	19⅛	
53	31½	ACF	1.40	2.7	142	893	52⅜	52½	52½	-⅛
18⅞	13⅛	AMF	.50	3.3		136	15⅝	15¼	15⅝	+⅛
41¼	26⅛	AMR Cp			5	4309	31⅝	30⅞	31	-⅛
20⅛	17½	AMR	pf2.18	11.		74	20⅛	19⅞	20	+⅛
41½	29⅝	AMR	pf2.13	6.4		77	33¾	33¼	33½	+⅛
26⅞	23	ANR	pf2.67	11.		5	23¼	23¼	23¼	
16¾	8¼	APL			4	24	11¼	11	11⅛	-⅛
55¼	40⅝	ARA	2.10	4.8	9	184	44	43½	43⅝	-⅛
74¼	50¼	ASA	3a	5.0		551	61⅛	59¾	59⅞	-1⅜
33¼	17	AVX	s .32	1.6	15	97	20⅛	19½	20	+½
50⅝	38¼	AbtLab	1.20	2.9	14	994	41⅝	41⅛	41⅜	-⅛
30¼	23⅛	AccoWd	.60	2.3	18	35	26⅜	26⅜	26⅜	+⅛
27½	20	AcmeC	.40	2.0		122	20⅛	20⅛	20⅛	
13	8⅝	AcmeE	.32b	3.8	25	119	8⅞	8¾	8⅞	-⅛
24⅞	11	AdmDg	.04	.3	7	28	11⅞	11⅝	11⅝	
18¾	15⅛	AdaEx	2.11e	13.		56	15⅞	15⅝	15⅝	
19⅛	11	AdmMl	.28	1.6	8	25	17⅝	17½	17½	-⅛
22	14½	AdvSys	[illegible]	5.4	15	13	14⅝	14⅝	14⅝	
18½	8½	Advest	.12	1.4	11	113	8⅞	d8¼	8⅞	+⅛
37½	23⅝	AMD	s		25	2392	31⅛	30½	30⅞	-⅛
24⅝	11	Agnlc	s		10	51	11⅛	d10⅞	11	
43½	31½	AetnLf	2.64	8.3	17	1951	32⅛	31⅝	31⅝	-⅛
37⅛	17⅛	Ahmns	1.20	6.9	4	2348	17⅝	17¼	17½	
7⅞	3½	Aileen				208	3½	d3⅜	3⅜	-⅛
51	36½	AirPrd	1	2.4	10	261	41¼	40⅞	41	-⅛
30⅞	16	AirbFrt	.60	3.1	11	97	19⅝	19⅛	19⅜	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B-B-B

[illegible]

C-C-C

[illegible]

D-D-D

[illegible]

E-E-E

[illegible]

F-F-F

[illegible]

G-G-G

[illegible]

H-H-H

[illegible]

I-I-I

[illegible]

J-J-J

[illegible]

K-K-K

[illegible]

L-L-L

[illegible]

M-M-M

[illegible]

N-N-N

[illegible]

O-O-O

[illegible]

P-Q

[illegible]

Continued on Page 41

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 42

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 40

[illegible]

X–Y–Z

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52½	37¾	Xerox	3 7.5 9	1625	38½	37¾	38	−½
53	47	Xerox	pf5.45 11	138	48½	47¾	47¾	−⅞
27	21⅛	XTRA	2 5 9	64	22⅝	22⅛	22½	+½
34	24	ZaleCp	1.26 5.0 8	18	25⅝	25½	25⅝	−½
24⅞	15½	Zapata	84 3.6 14	1964	24	23¼	23¼	−⅝
47½	30½	Zayre	s .40b 1.2 10	259	32⅞	32	32½	−1
38⅝	21⅛	ZenithE	10	1482	24½	23⅞	24½	−½
27½	19⅛	Zero	s .36 1.9 15	20	19½	19½	19½	−½
37½	21¼	Zurmn	1.32 5.6 10	54	23½	23½	23½	−½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

May. 23	Price Sch%	+ or —
Creditanstalt	311	......
Goesser	327	—2
Interunfall	407	......
Laenderbank	206	—2
Perlmooser	361	......
Steyr-Dimler a	148	......
Veitscher Mag	216	......

BELGIUM/LUXEMBOURG

May 23	Price Frs.	+ or —
ARBED	1,695	+20
Banq Int A Lux	5,000	......
Bekaert B	4,000	......
Ciment CBR	2,460	+25
Cockerill	289	—1
Delhaize	4,800	......
EBES	2,540	......
Electrobel	7,000	+20
Fabrique Nat	2,050	—50
GB Inno BM	3,150	+35
GBL (Brux)	2,300	+50
Gevaert	3,295	......
Hoboken	6,390	—60
Intercom	1,980	—5
Kredietbank	7,450	+50
Pan Hldgs.	10,000	......
Petrofina	7,130	+140
Royale Belge	9,490	+10
Soc. Gen. Banq	3,255	—10
Soc. Gen. Belge	1,865	+25
Sofina	6,200	+100
Solvay	4,220	—80
Tractionel	4,300	+40
UCB	3,820	+25
Vieille Mont	4,900	—50

DENMARK

May 23	Price Knr %	+ or —
Aarhus Olie	440	......
Andelsbanken	224	+1
Baltic Skand	645	......
CopHandelsbank	235	—1
D. Sukkerfab	620	......
Danske Bank	225	+3
East Asiatic	178	......
Forenede Brygg.	960	......
Forenede Damp.	170	+10
GNT Hldg	640	......
I.S.S.B.	540	—25
Jyske Bank	580	......
Novo Ind	2,430	......
Privatbanken	233	—1
Provinsbanken	315	+3
Smidth (F)	220	......
Sophus Berend	1,185	......
Superfos	472	......

FRANCE

May 23	Price Frs.	+ or —
Emprunt 4½% 1973	1,770	—20
Emprunt 7% 1973	9,691	—9
CNE 3%	3,660	+90
Air Liquide	526	—9
BIC	410	—5
Bouygues	663	—5
BSN Gervais	2,590	+34
CIT-Alcatel	1,293	—22
Carrefour	1,685	—35
Club Mediter'n	876	—15
CFAO	699	+8
Cie Bancaire	493	—2
Cofimeg	226	+0.2
Creusot Loire	31	—0.1
Darty	895	+10
Dumez S.A.	688	—8
Eaux (Cie Gen)	546	+3
Elf-Aquitaine	258	—6.3
Gen. Occidentale	621	—5
Imetal	93.4	+2.3
Lafarge Coppee	352.4	—7.6
L'Oreal	2,410	—15
Legrand	1,870	+9
Maisons Phenix	219	—6
Matra S.A.	1,485	+95
Michelin B	805	—12
Midi (Cie)	1,610	+25
Moet-Hennessy	1,569	......
Moulinex	102.1	+1.6
Nord Est	52	+3.2
Pernod Ricard	772	—4
Perrier	514	—1
Petroles Fra.	283	+4.5
Peugeot S.A	230.2	—1.9
Poclain	45.1	+0.1
Printemps Au	154.5	+4
Radiotech	295	—2.5
Redoute	1,161	+1
Roussel-Uclaf	1,100	+23
Schneider S.A.	91.5	+0.5
Sefimeg	262	+0.2
Skis Rossignol	1,330	—5
Telemech Elect	1,670	—18
Thompson (CSF)	391	—14
Valeo	258	—1.6

GERMANY

May 23	Price Dm.	+ or —
AEG-Telef	96.8	—0.6
Allianz Vers	770	—2
BASF	165.8	—0.5
Bayer	170	—1
Bayer-Hypo	292	—1
Bayer-Verein	324	—2.5
BHF-Bank	271	—14
BMW	383.7	—2.8
Brown Boveri	210	......
Commerzbank	167	—1.5
Cont'l. Gummi	124	+1.2
Daimler-Benz	572.5	+0.5
Degussa	378.5	—0.5
D'sche Babcoc	155.1	—1.4
Deutsche Bank	363.5xd	—2.7
Dresdner Bank	170.2	—0.8
GHH	150	—1.5
Hochtief	520	+7
Hoechst	175	—1
Hoesch Werke	117.8	—0.2
Holzmann (P)	428	—7
Horten	195	......
Kali und Salz	208	+3
Karstadt	259.5	—2
Kaufhof	237.8	—0.7
KHD	246.5	—2.5
Kloeckner	61.7	—1.3
Krupp	78	......
Linde	375	—2
Lufthansa	133.1	—1.4
MAN	148	—3.3
Mannesmann	145.3	+0.3
Mercedes Hld	498.8	+0.8
Metallgesell	240	—4
Muench Rueck	1,040	+10
Preussag	265	—0.5
Rhein West Elect	162.9	—0.4
Rosenthal	229	—1
Schering	338	—7
Siemens	394.2	—0.6
Thyssen	84.5	—0.7
Varta	174	+1
Veba	169	+0.3
V.E.W	120	—0.1
Verein-West	299	......
Volkswagen	190.5	+0.5

ITALY

May 23	Price Lire	+ or —
Banca Com'le	33,600	+600
Bastogi-IRBS	128.6	+18.4
Centrale	2,160	—115
Credito Varesino	4,430	+129
Fiat	4,129	+19
Finsider	36.4	+0.4
Generali Assicur	35,490	+1,390
Invest	3,240	+1
Italcementi	45,390	+390
Montedison	209.2	+5.6
Olivetti	5,115	—36
Pirelli Co	2,610	+25
Pirelli Spa	1,419	—21
Snia BPD	1,570	+40
Toro Assic.	11,300	+220
do. Pref.	8,920	+419

NETHERLANDS

May 23	Price Fls	+ or —
ACF Holding	183.2	—5.8
AEGON	125	—1
Ahold	184.3	—1.9
AKZO	94.0	—1.8
ABN	346.5	—5.0
AMEV	148.0	—2.5
AMRO	62.5	—0.5
Bredero Cert	183	—5
Bos Kalis Westm.	31.5	—0.8
Buehrmann-Tet	67.5	—1.5
Calland Hldgs	86.3	—0.2
Credit Lyon'is Bk	56.6	—0.9
Elsevier-NDU	80.5	—2.5
Gist. Brocades	137.5	—0.5
Heineken	128.5	—2.5
Hoogovens	54.7	—1.0
Hunter Douglas	25.4	—0.8
Int Mueller	38.1	—0.7
KLM	162.9	—2.6
Naarden	39	—2
Nat Ned Cert	225	—3
Ned. Credit Bank	40	......
Ned Mid Bank	139.3	—2.0
Nedlloyd	118	—2
Oce Grinten	234.0	—4.5
Ommeren (Van.)	28.7	—1.1
Pakhoed	61.0	—1.1
Philips	46.1	—0.1
Rijn-Scheide	3.3	......
Robeco	62.7	—0.3
Rodamco	135.4	......
Rolinco	59.0	—0.4
Rorento	199.3	+0.1
Royal Dutch	160.8	—1.7
Unilever	240.5	—0.5
VMF Stork	116.5	—3.0
VNU	154.0	—6.8
West Utr Bank	93.0	+0.5

NORWAY

May. 23	Price Kroner	+ or —
Bergen Bank	177	—3
Borregaard	307.5	—11.5
Christiania Bk.	177	—2
Den Norsk Credit	176	—1
Elkem	152.5	—6.0
Norsk Data	307.5	—9.5
Norsk Hydro	687	—3
Storebrand	232.5	—6.0

SPAIN

May. 23	Price Pta%	+ or —
Bco Bilbao	320	+2
Bco Central	321	—2
Bco Exterior	202	—2
Bco Hispano	225	—5
Bco Santander	301	......
Bco Vizcaya	372	—6
Dragados	154	—3
Hidrola	51.7	......
Iberduero	57.5	+0.3
Petroleos	126.2	—1.8
Telefonica	83.5	—0.7

SWEDEN

May 23	Price Kronor	+ or —
AGA	355	—7
Alfa-Laval	235	—1
ASEA (Free)	300	—15
Astra (Free)	425	—25
Atlas Copco	180	—3
Boliden	395	—15
Cardo (Free)	377	—8
Cellulosa	149	—4
Electrolux B	267	—5
Ericsson	310	—3
Esselte	355	—5
Mo Och Domsjo	520	—13
Pharmacia	259	—8
Saab-Scania	392	—7
Sandvik	400	—1
Skandia	360	—10
Skan Enskilda	326	—2
SKF	203	—8
St. Kopparbergs	700	—25
Sven Handelsbn.	189	—1
Swedish Match	234	—5
Volvo B (Free)	466	—23

SWITZERLAND

May 23	Price Frs.	+ or —
Alusuisse	790	—13
Bank Leu	3,900	—60
Brown Boveri	1,350	—10
Ciba Geigy	2,375	—45
do. (Part Certs)	1,710	—25
Credit Suisse	2,235	—55
Elektrowatt	2,550	—50
Fischer (Geo.)	610	......

AUSTRALIA (continued)

May. 23	Price Aust. $	+ or —
Gen Prop Trust	2.08	—0.02
Hardie (J.)	3.03	—0.05
Hartogen Energy	2.65	......
HeraldW'y Times	3.15	—0.2
ICI Aust	1.98	......
Jimb'lana(50cFP	0.26	......
Kia Ora Gold	0.16	+0.01
Lend Lease	4.7	—0.15
MIM	3	—0.03
Mayne Nickless	2.25	—0.03
Meekatharra	0.75	......
Myer Emp.	1.8	+0.01
Nat. Com. Bk.	3.43	—0.05
News	9.3	—0.3
Nicholas Kiwi	2.65	—0.1
North Bkn Hill	2.4	+0.08
Oakbridge	0.86	—0.04
Otter Expl	0.51	—0.01
Pancont'l	1.25	—0.05
Pioneer Conc	1.44	—0.01
Queensland Coal	1.04	+0.01
Reckitt & Coln	2.65	......
Repco	1.12	......
Santos	5.64	......
Smith (H.)	3.8	—0.05
Southland Min'g.	0.36	—0.01
Spargos Expl	0.33	......
Thos. Natwide	1.7	—0.05
Tooth	5.5	......
Vamgas	2.9	—0.25
Western Mining	3.35	—0.05
Westpac	3.8	+0.02
Woodside Petrol.	1.08	—0.02
Woolworths	2.33	......
Wormald Intl	3.1	—0.05

HONG KONG

May. 23	Price H.K.$	+ or —
Bank East Asia	20.7	+0.2
Cheung Kong	8.3	—0.1
China Light	11	+0.1
Hang Lung Devel	2.35	......
Hang Seng Bank	34.5	—0.5
HK Electric	5.4	—0.05
HK Kowloon Wh	3.57	—0.03
HK Land	3.05	—0.07
HK Shanghai Bk.	6.35	......
HK Telephone	41.00	......
Hutchison Wpa	10.7xa	+0.1
Jardine Math	8.9	—0.25
New World Dev	3.06	+0.12
Orient O'seas	2.37	—0.03
O'seas Trust Bk.	2.8	—0.05
SHK Props	6.4	......
Swire Pac A	15.1	—0.1
Wheel'k Mard A.	3.37	—0.05
Wheel'k M'time	1.9	......
World Int. Hldgs	1.88	+0.08

JAPAN

May. 23	Price Yen	+ or —
Ajinomoto	1,090	+40
Alps Electric	2,150	+130

JAPAN (continued)

May. 23	Price Yen	+ or —
MHI	231	—4
Mitsui Co	339	—1
Mitsui Estate	659	—6
Mitsukoshi	343	+3
NGK Insulators	715	+5
Nihon Cement	202	—6
Nippon Denso	1,410	+30
Nippon Elect	1,180	—10
Nippon Express	300	—2
Nippon Gakki	608	—2
Nippon Kokan	142	—4
Nippon Oil	1,100	—30
Nippon Seiko	515	—5
Nippon Shimpan	555	—2
Nippon Steel	158	—4
Nippon Suisan	313	—5
NTV	11,400	+700
Nippon Yusen	234	—4
Nissan Motor	630	+2
Nisshin Flour	423	+2
Nisshin Steel	203	......
Nomura	715	+7
Olympus	835	—5
Omron Tateisi	1,710	—230
Orient Leasing	3,330	+40
Pioneer	2,690	+100
Renown	642	+1
Ricoh	900	+13
Sankyo	684	+14
Sanyo Elect	485	+10
Sapporo	400	—4
Sekisui Prefab	551	—9
Seven-Eleven	8,010	—290
Sharp	1,070	......
Shimadzu	502	+2
Shionogi	690	—8
Shiseido	1,060	+20
Sony	3,330	—40
Stanley	700	+10
S'tmo Bank	1,040	—10
S'tomo Elect	818	+8
S'tomo Marine	404	—10
S'tomo Metal	166	—3
Taihei Dengyo	475	—10
Taisei Corp	211	—1
Taisho Pharm	886	—13
Takeda	665	......
TDK	5,220	+130
Teijin	365	—8
Teikoku Oil	720	......
Tokyo Marine	563	—7
TBS	751	—14
Tokyo Elect Pwr.	1,110	......
Tokyo Gas	154	—1
Tokyo Sanyo	729	+14
Tokyo Style	785	—10
Tokyu Corp	296	—1
Toppan Print	720	+8
Toray	402	—3
Toshiba Elect	382	+2
TOTO	558	—1
Toyo Seikan	729	+3
Toyota Motor	1,290	......
Victor	2,410	+70
Wacoal	750	—10
Yamaha	515	+2
Yamanouchi	1,250	+10
Yamazaki	665	—5
Yasuda Fire	288	+1
Yokogawa Bdge.	404	+3

SINGAPORE

May. 23	Price $	+ or —
Boustead Hldgs.	2.41	—0.01
Cold Storage	3.28	—0.02
DBS	8.7	—0.05
Fraser & Neave	5.6	+0.05
Genting	6	......
Haw Par. Bros	2.31	—0.05
Inchcape Bhd	2.59	—0.04
Keppel Shipyard	2.53xa	—0.03
Malay Banking	8.85	—0.25
Malay Brew	6.45	—0.15
Multi Purpose	1.9	—0.02
OCBC	9.7	+0.05
OUB	4.3	+0.08
Sime Darby	2.22	......
Straits St'mship.	1.48	—0.02
Straits Trdg.	5.7	+0.05
UOB	4.98	+0.1

SOUTH AFRICA

May. 23	Price Rand	+ or —
Abercom	2.12	......
AE & CI	9.40	......
Anglo Am Coal	30.5	—1
Anglo Am Corp	21.7	—0.3
Anglo Am Gold	146.5	—1
Barclays Bank	19.75	......
Barlow Rand	14.3	+0.2
Buffels	78.5	......
CNA Gallo	2.9	......
Currie Finance	3.2	......
De Beers	9.15	—0.18
Driefontein	46.5	—0.5
FS Geduld	49.5	—2
Gold Fields S.A.	27.5	—0.5
Highveld Steel	5.5	—0.1
Nedbank	15.6	—0.1
OK Bazaars	19.25	......
Protea Hldgs	2.8	......
Rembrandt	26.75	......
Rennies	16.25	+0.25
Rust. Plat	14.75	—0.15
Sage Hldgs	8.4	......
SA Brews	7.65	+0.05
Smith (C.G)	26.25	......
Tongaat Huletts	12	......
Unisec	5.65	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Bass	378	+13
Brit. Aerospace	238	+10
Hanson Trust	229	+5
Intasun Leisure	165	+6
Williams Hldgs.	156	+10
Weeks Australia	69	+6

FALLS

ABP	226	—10
Bk. Ireland New	5pm	—13
Bemrose	195	—20
Bowater	280	—7
Crystalate	253	—19
Distillers	227	—9
Harris Qu'way	372	—10
ICI	556	—8
Lucas	210	—8
Magnet & Sths.	154	—12
Metal Box	348	—14
Meyer Int'l	125	—5
Plessey	206	—4
Racal	223	—8
Rayford Supr.	225	—15
Redfearn	93	—7
Sainsbury (J.)	340	—7
TI	226	—8
Tate & Lyle	368	—7
Vickers	151	—8
BP	515	—10
Britoil	247	—8
Ultramar	502	—22
Sungei Bahru	313	—25

Continued on Page 50

CANADA

TORONTO
Prices at 2.30 pm May 23

MONTREAL
Closing prices May 22

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

MONTREAL

TORONTO Composite

N.Y.S.E. ALL COMMON

RISES AND FALLS

N.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

New York Active Stocks

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 41

LONDON STOCK EXCHANGE

MARKET REPORT

Equity markets close above worst but tone remains sensitive—index down 8.7 at 847.6

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr 30	May 10	May 11	May 21
May 14	May 31	June 1	June 11
June 4	June 14	June 15	June 25

* "New-time" dealings may take place from 9.30 am two business days earlier.

Trading conditions in London stock markets remained extremely sensitive. Investment sentiment was again marred by the miners' dispute and by doubts about UK economic prospects. As a result, equities met with a further wave of nervous selling yesterday.

The pace of the slide, although moderating a little, was still formidable and at one stage the Financial Times Industrial Ordinary share index recorded a loss of 12.8 before closing 8.7 lower at 847.6 for a two-day fall of 28.6. The late tone was helped by a small opening improvement yesterday on Wall Street. Several large lines of stock came on offer, mainly in the Electrical leaders. Overall, however, selling was relatively light but again found the market unreceptive as potential buyers remained on the sidelines.

A technical rally at the outset quickly petered out and blue chips, although slightly above the worst, recorded fresh losses extending to around 9 and occasionally more.

Among the index constituents, Plessey fell to 199p before settling 4 down on the day at 206p amid suggestions that the company may bid for British Aerospace, currently in merger discussions with Thorn EMI; Plessey is scheduled to report preliminary figures today.

Good trading statements from Boots and Bass, both a few pence better, failed to enliven market interest. Oil shares, partly reflecting a fall in spot crude prices, remained a particularly weak sector.

Gilt-edged securities traded on a slightly steadier note. Sentiment, however, remained clouded by the uncertain outlook for U.S. interest rates and both short and long-dated stocks fluctuated around the previous day's closing levels before settling a fraction lower on balance. The £50-paid short tap Treasury 9½ per cent Convertible 1989 eased ⅛ further to a fresh low of 47⅞.

Bank of Ireland fall

The Clearers held up reasonably well although U.S. banking troubles continued to deter buyers. Lloyds cheapened 5 more to 540p as did NatWest to 622p, while Barclays held the overnight level of 475p. Irish issues traded lower with Bank of Ireland particularly vulnerable and 15 down at 290p; the new nil-paid shares plummeted 13 to 5p premium. Allied Irish closed 4 off at 156p following the results.

Bass pleased in announcing a 35 per cent mid-term profits expansion—some 10 to 12m above most market estimates—and advanced 13 to 378p. Other national Breweries, easier from the outset in the continued absence of worthwhile support, received a fillip from the news and finished with modest gains for choice. Whitbread, which revealed encouraging annual results on Tuesday, hardened a penny to 163p, after 160p, while Allied-Lyons, expected to announce preliminary figures next Tuesday, rose a couple of pence to 164p. Wines and Spirits highlighted Distillers which succumbed to scattered selling and closed 9 off at 287p with sentiment unsettled by bearish newsletter comment. Irish Distillers shed 4 to 160p following the interim figures.

A modest technical rally in the Building sector failed to hold and prices turned back sharply on the first signs of fresh selling. BPB Industries closed a net 10 down at 305p, while RMC, 422p, and Tarmac, 456p, shed 4 apiece. Blue Circle gave up 5 at 422p. Timber issues remained sensitive and Magnet and Southerns fell 12 to 154p, while Meyer International lost 5 to a 1984 low of 128p. Travis and Arnold slipped to a low for the year of 310p before closing a net 6 off at 312p. Elsewhere, profit-taking in the wake of the interim results clipped 10 from McCarthy and Stone at 455p.

After Tuesday's late reaction, which saw the shares close a net 24 down at 566p, ICI opened lower at 562p, but rallied to 566p before drifting off again to close 8 down on balance at 558p. Other Chemicals also lost ground with Laporte falling 8 to 455p and Hickson International shedding 6 to 352p.

Leading Retailers continued to trade quietly and generally without distinction although sporadic support at the lower levels lifted selected counters off the bottom. Gussies "A" shed 15 to 580p, while falls of 6 were common to Habitat Mothercare, 298p, and Burton, 269p. Marks and Spencer eased 4 to 246p, after 244p. Among secondary counters, Waring and Gillow gave up 5 to record a two-day loss of 20 at 123p, but Alfred Preedy hardened a couple of pence to 125p. Newsagents reacted afresh with W. H. Smith "A" 4 off at 130p, and John Menzies 10 lower at 373p. Opening lower at 300p, Currys encountered further sellers and finally settled at 285p. Harris Queensway were also out-of-favour and dipped 10 to 372p; the company, acting in concert with County Bank, has received acceptances accounting for over 51 per cent of Bakers Household Stores. Rayford Supreme declined 15 to 225p as the chairman's warning on current trading outweighed the company's expansion plans.

Racal decline

Reports of a large line of stock on offer depressed Racal, which dropped to 220p at one stage before closing a net 8 down on the day at 223p. BICC cheapened a few pence more to 227p and GEC softened 2 to 170p. Elsewhere, Crystalate dived 19 to 253p, after 248p, following a "sell" recommendation, while Bowthorpe declined 10 to 280p and Electrocomponents 7 to 313p. International Signal and Control relinquished 8 at 218p and Lec Refrigeration cheapened 13 at 395p. Tunstall Telecom eased the turn to 337p despite the resumption of interim dividend payments and sharply higher first-half profits.

Engineering leaders succumbed to renewed selling on fears that the miners' dispute will endanger the UK's economic recovery. TI fell 8 to 236p and Vickers lost the same amount to 151p. GKN, 183p, and Hawker, 424p, shaded 4 apiece. Elsewhere, Martonair relinquished 7 at 233p and Westland dipped 6 to 171p. Still reflecting adverse comment, Vosper gave up 5 more for a two-day relapse of 52 at 210p. Yarrow eased 10 to 295p in sympathy. Against the trend, Williams advanced 10 afresh to 156p on speculative buying fuelled by takeover hopes.

Most leading Foods gave ground on light selling and lack of support. Cadbury Schweppes shed 4 to 129p and Tate and Lyle lost 7 to a 1984 low of 368p. Comment on the annual results left J. Sainsbury 7 cheaper at 540p, while Argyll came on offer and shed 5 to 159p. Rowntree Mackintosh continued to trade briskly on takeover speculation and touched 268p prior to closing without alteration at 264p.

Profit-taking in the wake of the half-yearly results left hotels to casinos concern Stakis 5 cheaper at 118p.

Hanson Trust rise

Hanson Trust provided a firm contrast among the miscellaneous industrial leaders, rising sharply to touch 237p before closing 5 higher on the day at 229p in response to U.S. support. Boots' excellent annual results also helped them resist the trend, the shares closing a couple of pence harder at 178p, after 179p. Bowater, meanwhile, continued to wilt on transatlantic influences and ended 7 off at 280p. Metal Box, with interim results scheduled for June 12, dropped 14 to 348p, while Reed International declined 10 to 422p. Elsewhere, British Aerospace, currently engaged in merger negotiations with Thorn EMI, advanced 10 to 338p amid rumours that Plessey was about to enter the fray; Thorn softened a penny more to 553p, after 550p. Revived bid speculation lifted Booker McConnell 3 to 121p but Associated British Ports fell 10 more for a two-day decline of 32 at 226p on the chairman's profits warning at the annual meeting. Sold down to 30p initially, Waterford Glass rallied strongly to finish only a couple of pence easier at 36½p following the board's announcement that takeover talks were continuing. Sidlaw fell 20 to 450p following the half-yearly results and Avon Rubber finished a few pence down at 167p despite reporting good interim figures. Redfearn National Glass gave up 20 to 685p in a restricted market following the annual results.

Publishers remained friendless. Fleet shed 4 to 153p, and Associated Newspapers, 5 to 458p, while among regionals, United gave up 7 to 303p, and Bristol Evening Post, 10 at 323p. Elsewhere, printers Bemrose slumped 20 to 195p following the chairman's warning of reduced first-half earnings. Harrison Cowley eased 15 to 150p after agreed terms from Saatchi and Saatchi, 15 cheaper at 675p, after 660p. Delyn Packaging hardened the turn to 99p in response to the increased annual profits and dividend.

Virtually unscathed in Tuesday's shake-out, leading Properties held up well again. Business remained extremely thin and Land Securities, after shading to 267p, picked up to close just a penny cheaper on balance at 269p. MEPC closed without alteration at 276p. Elsewhere, Sterling Guarantee eased a fraction to 50p awaiting today's annual results, while Espley Trust, still depressed by the poor 15-month figures, shed 4 for a three-day fall of 32 to 58p. Profit-taking left C. H. Beazer 8 off at 388p, while USM-quoted Tops Estates fell 5 to 68p. Recently dull Regalian rallied 4 to 68p on news of its successful tender for a scheme involving the modernisation of nine blocks of flats in Cardiff.

Ultramar weak

Leading domestic oils remained under constant selling pressure, reflecting lower spot prices for crude oil, and the further decline throughout equity markets.

Ultramar were a notable casualty and dropped 22 to 593p, after a 1984 low of 592p, in the wake of the £186m offer by Unimar — a partnership of Ultramar and Allied Corporation subsidiaries — to acquire 14.3m shares in America's Enstar as a preliminary to acquiring the whole of Enstar Corporation.

Other leading issues were similarly depressed but generally closed a couple of pence above the day's lowest levels. Shell were finally 13 off at 680p, BP gave up 10 to 515p — a two-day fall of 25 — Britoil dropped 8 more to 247p and Tricentrol 8 to 210p. IC Gas were persistently sold and settled 17 cheaper at 303p, after 300p.

Secondary issues showed Sovereign Oil 13 lower at 282p and Saxon 7 down at 358p, while onshore stocks were featured by Carless Capel which retreated 7 to 230p.

Recent high-flyer Petranol encountered profit-taking and fell 35 to 575p, after 570p.

The Irish sector continued to attract selling and Bryson dipped 30 to 680p. Aran Energy eased 2 more to 53p amid rumours that the latest well drilled in the Porcupine has failed to encounter hydrocarbons. Australian oils remained a weak market with new lows for 1984 common throughout the list. Claremont eased 2 to 108p despite the latest drilling success in the Cooper Basin. Weeks Australia, however, rallied 6 to 69p.

Plantations were irregular. Light selling in the wake of the proposals whereby Harrisons Malaysian Plantations will attempt to gain control of a number of British-owned companies left Sungei Bahru 25 lower at 313p, while similar falls were noted for Sogomana, 688p, and Kinta Kellas, 338p. HMP eased 2 more to 126p. In contrast, Jitra attracted scattered demand and firmed 5 to 78p, while Killinghall rose a fraction more to £11⅛.

Golds down again

South African Golds remained devoid of buying interest and did little more than drift throughout the session, in the wake of the bullion price which gave ground to close a net $2.25 easier at $377.75 an ounce.

Along with the majority of mining issues, Golds remained highly nervous in the face of the renewed weakness evident in the UK equity market and the recent sharp falls on Wall Street.

It was also clear that investors were happy to sit on the sidelines awaiting the first batch of June dividend declarations, those of the mines in the Anglovaal group which are due to announce dividends next week.

The Gold Mines index dropped 12.4 more to 642.8 — a two-day fall of 19.6.

South African Financials mirrored the trend in Golds and posted widespread losses. Gold Fields of South Africa eased ⅛ to £15⅝ following news that Anglo American Corporation has increased its stake from below 5 per cent to around 8.9 per cent. Anglo American Corporation gave up ¼ to £12¼. Minorco, the Bermuda-domiciled international arm of the Anglo group, fell 20 to 630p in the wake of the possible sale by Phibro-Saloman — in which Minorco has a 20 per cent plus interest — of its non-petroleum commodity trading business to a group of employees.

Australians suffered another setback in overnight Sydney and Melbourne markets and showed little sign of rallying in London. The majority of issues showed widespread, albeit minor, falls across the board.

In the leaders Bougainville managed a 3 gain at 145p and North Broken Hill added 5 at 155p but Golds showed Poseidon 7 down at 268p and Whim Creek 4 lower at 210p.

Demand for Traded Options remained relatively buoyant with 5,736 contracts struck. The FTSE 100 index accounted for 1,320 calls and 491 puts. Hanson Trust returned to favour and attracted 817 calls, 369 in the June 200's, and 277 puts, all of which were done in the June 220's; the interim figures are scheduled for June 5. GEC recorded 451 calls with 239 transacted in the June 200's. ICI attracted 268 calls and 244 puts.

FINANCIAL TIMES STOCK INDICES

	May 23	May 22	May 21	May 18	May 17	May 16	year ago
Government Secs	79.27	79.30	79.73	79.60	79.95	79.97	81.62
Fixed Interest	84.02	84.19	84.60	84.57	84.74	84.72	85.38
Industrial Ord.	847.6	856.3	876.2	874.4	884.5	879.4	700.6
Gold Mines	642.8	655.2	662.4	637.8	645.4	627.5	638.3
Ord. Div. Yield	4.60	4.56	4.46	4.47	4.42	4.45	4.61
Earnings, Yld.% (full)	10.71	10.61	10.37	10.40	10.29	10.35	8.90
P.E Ratio (net) (*)	11.26	11.36	11.63	11.60	11.72	11.65	13.94
Total bargains (Est.)	21,588	21,464	21,560	21,000	21,893	23,482	19,122
Equity turnover £m.	—	289.57	209.60	328.24	307.05	283.91	223.90
Equity bargains	—	18,868	18,577	18,277	18,503	18,294	16,767
Shares traded (mil)	—	158.7	166.7	201.2	161.1	149.8	137.4

10 am 856.4. 11 am 854.1. Noon 845.9. 1 pm 843.5. 2 pm 843.9. 3 pm 844.1.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.74.

HIGHS AND LOWS / S.E. ACTIVITY

	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	81.77 (9/1)	79.27 (23/5)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	84.02 (23/5)	155.4 (28/11/47)	50.03 (3/1/75)
Ind. Ord.	922.8 (3/5)	770.3 (4/1)	922.8 (3/5/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	520.2 (17/1)	754.7 (15/2/83)	43.5 (26/10/71)

	May 22	May 21
Daily Gilt Edged Bargains	147.6	151.2
Equities Bargains	122.2	120.4
Value	585.3	423.6
5-day Average Gilt Edged Bargains	146.7	147.2
Equities Bargains	119.1	111.8
Value	575.4	552.2

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BAT Inds	210	−3
Bowater	280	−7
British Aerospace	338	+10
BP	515	−10
Crystalate	253	−19
Hanson Trust	229	+5
ICI	558	−8
Plessey	206	−4
Racal Elects	223	−8
Shell Transport	680	−13
Tricentrol	210	−8
Ultramar	593	−22

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (6)

BANKS (1)
United Leasing
BUILDINGS (1)
Watts Blake Bearne
INDUSTRIALS (2)
Macfarlane Restmore
NEWSPAPERS (1)
Routledge & Kegan Paul
TEXTILES (1)
Palma

NEW LOWS (180)

BRITISH FUNDS (13)
INT BANK & O'SEAS GOVT STLG ISSUES (3)
CORPORATION LOANS (2)
COMMONWLTH & AFRICAN LOANS (1)
LOANS (3)
AMERICANS (6)
CANADIANS (6)
BANKS (4)
BUILDINGS (7)
CHEMICALS (5)
STORES (5)
ELECTRICALS (14)
ENGINEERING (6)
FOODS (4)
INDUSTRIALS (26)
INSURANCE (2)
LEISURE (2)
MOTORS (7)
PROPERTY (7)
SHIPPING (1)
TRUSTS (43)
OILS (9)
PLANTATIONS (1)
MINES (8)

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	16	24	64
Corpns, Dom. and Foreign Bonds	3	20	57
Industrials	113	609	683
Financial and Props.	31	234	253
Oils	8	25	57
Plantations	2	11	16
Mines	14	64	95
Others	27	108	92
Totals	214	1,126	1,307

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 21	June 8	Aug 30	Sept 10
June 11	June 22	Sept 13	Sept 24
June 25	July 6	Sept 27	Oct 8

For rate indications see end of Share Information Service.

Active conditions returned to Options where calls were transacted in Arlen, British Electric Traction, Combined English Stores, Lister, Wellman, Gestetner A, Aspinall, Guinness Peat, S. and W. Berisford, Sterling Guarantee Trust, Selincourt, PetroGen, Prince of Wales, Petranol, Bryson, Phicom, Tricentrol, Aran Energy, Jardine Matheson, Redman Heenan, Staffordshire Potteries, Sumrie Clothes, Hambro Life, FKI Electricals, Tomkinsons, Charterhouse J. Rothschild, Howard Shuttering, RHP, Petbow, ICI, D. J. Security Alarms, Lonrho, W. E. Norton and Ninslo. Puts were done in Berkeley and Hay Hill and Grattan, while doubles were taken out in Queens Moat Houses and Atlantic Resources.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Shell Trans.	21	683	−11
BP	20	525	−15
Lon and Nrthn	17	93	+2
BTR	15	473	−11
Bristol	15	223	−13
RHM	15	177	−7
Sainsbury (J.)	15	547	−3
Brit & Com Ship	14	930	−15
Hawker Sidd.	14	428	−12
ICI	14	566	−24
RTZ	14	603	−20
Beecham	13	312	−9
Boots	13	176	−1
Hanson Trust	13	224	−5

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed May 23 1984 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Tues May 22	Mon May 21	Fri May 18	Thurs May 17	Year ago (approx.)
1 CAPITAL GOODS (203)	495.23	−1.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (24)	483.22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (32)	698.91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (14)	1604.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Electronics (38)	1672.59	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (62)	247.10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (9)	185.67	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (17)	134.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	672.42	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUPS (194)	509.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	519.84	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (22)	382.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (12)	1376.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (9)	782.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (23)	637.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (13)	1352.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	248.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (46)	459.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (20)	368.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	588.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (8)	464.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (87)	315.12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	578.75	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (4)	321.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (14)	341.59	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (51)	617.26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (484)	498.83	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (16)	1144.57	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	553.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (120)	365.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	455.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (7)	261.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance (Brokers) (6)	736.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (12)	505.94	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (53)	553.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (18)	240.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (106)	465.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (16)	551.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (746)	505.80	−1.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FT-SE 100 SHARE INDEX	1075.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Wed May 23	Day's change %	Tues May 22	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Debentures & Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS		Wed May 23	Tues May 22	Year ago (approx.)
1 British Government Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]
11 Debs & Loans	5 years	[illegible]	[illegible]	[illegible]
12	15 years	[illegible]	[illegible]	[illegible]
13	25 years	[illegible]	[illegible]	[illegible]
14 Preference		[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p. ◆ Corrected figures 22/5/1984

EUROPEAN OPTIONS EXCHANGE

Series	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS [illegible]

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

May 23 Total Contracts 5,736. Calls 3,908. Puts 1,828

*Underlying security price.

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price p	+or−	Net dividend	Times covered	Gross yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price £	+or−
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid	Latest Renunc. date	1984 High	1984 Low	Stock	Closing price	+or−
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. || Allotment letters (or fully-paid). ‡ Introduction. ◆ Unlisted Securities Market. § Placing price. †† Official London Listing. # No par value.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984 High	1984 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
101 13/16	100 23/32	Treas 12pc 1984	100 7/8	−1/16	11.90	9.05
105 1/8	103 7/16	Treas. 15pc 1985	103 15/32	−1/32	11.49	9.85
102 5/8	101 1/4	Exch. 12pc Cnv. '85	101 7/16	+1/16	11.82	9.91
95 1/8	93 3/8	Treas 3pc 1985	94 1/2	.....	3.17	8.91
102 5/8	100 1/2	Treas 11½pc 1985	101 1/16	+1/16	11.38	10.45
99 1/4	97 1/16	Treas 8¾pcCnv '85	97 13/16	+1/8	8.93	10.43
104 7/16	101 1/2	Exch. 12¼pc 1985	102	.....	12.01	10.73
103 11/16	101 1/8	Exch. 11¾pc '86	101 7/16	.....	11.58	10.77
102 1/16	98 1/16	Treas. 10pcCnv 1986	98 9/16	+1/16	10.15	10.83
90 1/4	88 1/4	Treas 3pc 1986	89 1/16	.....	3.37	9.15
102	99 1/8	Exch. 10½pc Cv '86	99 3/8	+1/16	10.57	10.85
104 3/16	101 1/8	Treas 12pc 1986	101 11/16 xd	+1/16	11.80	11.08
98 1/8	95 1/4	Treas 8½pc 1984-86‡‡	95 3/16	.....	8.92	11.01
108 11/16	105 1/2	Exch. 14pc 1986	105 11/16	−1/8	13.25	11.23
87 1/4	85	Exch. 2½pc 1986	85 1/4	−1/16	2.92	9.00
107 11/16	104 1/4	Exch. 13¼pc 1987	104 1/4	−1/16	12.71	11.31
100 1/8	97 7/16	Treas 10¼%Cv '87	97 9/16	.....	10.51	11.27
86 1/8	83 1/16	Exch 2½pc 1987	83 5/8	.....	2.99	9.31
101 3/16	97 1/4	Exch. 10½pc 1987	97 13/16	.....	10.74	11.39
92 3/4	89	Funding 6½pc '85-87‡‡	89	.....	7.30	10.97
99 5/8	96 7/16	Treas. 10pc 1987	96 7/16 xd	−1/16	10.37	11.43
85	82 1/16	Treas 3pc 1987	82 1/16	−1/16	3.66	9.76
105	101 1/4	Treas. 12pc 1987	101 1/4	−1/16	11.85	11.52
94 7/8	89 7/8	Treas 7¾pc 1985-88‡‡	90	.....	8.61	11.11
100 1/4	95 1/2	Exch 10½pc '88	96 13/16	−1/16	10.83	11.48
98 7/16	94 1/4	Treas 9¾pc Cv '88	94 1/4 xd	−1/16	10.34	11.58
82	77 1/4	Transport 3pc '78-88	77 1/4	.....	3.88	9.87
96 13/16	92 13/16	Treas. 9½pc '88	92 13/16	−1/8	10.22	11.57
106 1/4	99 11/16	Treas 11½pc 1989	99 11/16	−1/8	11.54	11.56
50	47 3/16	Treas9½pcCv'89(£50pd)●	47 3/16	−1/16	10.24	11.46

Five to Fifteen Years

1984 High	1984 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
103 1/4	94 7/8	Treas.10½pc 1989	95 1/4 xd	+1/16	10.98	11.67
100 1/4	96 1/8	Exch.10pc 1989	97 3/8	+1/8	10.74	11.78
98 1/4	94 1/4	Do.10pc '89 A	94 1/2	+1/8	10.73	11.79
85 1/8	78 5/8	Treas 5pc 1986-89	78 5/8	.....	6.40	10.40
112 1/4	107 5/8	Treas 13pc 1990‡‡	109 1/8	+1/8	12.41	11.80
110 7/8	104 5/8	Exch. 12½pc 1990	104 1/4	+1/8	12.18	11.85
93 1/4	86 1/8	Treas 8¼pc 1987-90‡‡	86 1/8 xd	.....	9.50	11.31
98 1/2	90 5/8	Treas. 10pcCv 1990	94 1/4	+1/8	10.86	11.76
107	102 3/8	Treas 11¾pc 1991	103 1/8	.....	11.86	11.94
84 1/8	76 7/8	Funding 5¾pc '87-91‡‡	76 7/8	−1/8	7.56	10.75
105 1/8	97 1/4	Exch. 11pc 1991	97 3/4	+1/8	11.40	11.71
112 5/8	107 5/8	Treas 12¾pc 1992‡‡	108 1/8	.....	12.25	11.90
100 5/8	94 5/8	Treas 10pc 1992	94 7/8	.....	10.83	11.50
111 1/4	104 1/2	Exch. 12¼pc '92	104 1/2	.....	12.08	11.97

Over Fifteen Years

Undated

Index-Linked

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FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الاصل

INDUSTRIALS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
169	134	Macfarlane Gp.	169	+2	3.87	2.6	3.3	13.7
45	37	Maclellan 20p	40	−2	1.6	ϕ	5.9	ϕ
127	44½	Macpherson (D.)	127	.....	ϕ2.25	0.1	2.5	—
64	53	Magnolia Group	53	.....	2.5	3.2	6.7	5.7
64	43	Mainmet Hldgs. 10p	47	.....	—	—	—	50.0
270	157	Man. Ship Can. £1	252	−5	5.5	3.5	3.1	13.0
95	78	Marley	82	−1	3.2	2.1	5.6	11.5
50½	40	Marling Ind. 10p	47	−1	†1.08	1.7	3.3	21.1
46	29	Marshall L'ry. 'A'	38	.....	1.2	3.6	4.5	6.8
66	54	Marshall's Univ.	66	+4	—	—	—	29.3
30	22	Martin-Black	22	.....	—	—	—	—
£108	£88	Mathesons 7¼%	£95	.....	Q7¼%	2.3	9.0	—
378	296	Metal Box £1	348	−14	†11.55	3.2	4.7	7.3
220	129	Metal Closures	210	+4	6.3	ϕ	4.3	ϕ
27	18	Metal Sciences 2½p	18	−1	—	—	—	—
19	9½	Metamec Jentique	10	+½	0.01	—	—	—
133	90	Midland Marts	93xd	.....	4.0	ϕ	6.1	ϕ
64½	45	Mitchell Cotts	58½	−1	3.62	1.0	8.9	15.4
29	18	Moben Grp 1p	22	−1	0.5	ϕ	3.2	ϕ
£235	£184	M'santo 5pc 82-6	£212	.....	Q5%	—	12.4	—
168	132	Morgan Crucible	156	−3	7.5	ϕ	6.9	ϕ
97	82	Moss (Robt.) 10p	95	.....	2.5	ϕ	3.0	ϕ
300	197	NMW Computers	295	+5	6.0	3.0	2.9	16.5
65	57	Nash Inds.	58	.....	4.0	2.2	9.9	6.7
47	30	Neill & Spencer 10p	38	.....	—	—	—	16.4
70	45	New Equip 10p	70	.....	ϕ1.15	5.5	2.3	9.4
33	16	Newman Industs	23	+1	—	—	—	12.9
31	16½	Do. 10pc Cm. Pf.	24½	.....	10%	—	5.8	—
66	43½	Nolton	46½	+3	1.0	2.9	3.1	16.3
175	150	Norcros	155	.....	b7.0	2.3	6.5	9.3
86	66	Nu-Swift 5p	63	.....	—	—	—	13.3
100	75	Oakwood Grp	75	.....	d6.5	—	12.4	—
290	157	Office & Elect.	157	−3	7.5	2.8	7.0	6.8
875	700	Oriflame Intl SA	850	.....	Q53c	2.2	4.2	10.6
46	35	Ovenstone 12½c	40	.....	Q4.5c	ϕ	6.4	ϕ
£146	£128	Ozalid Fin. Cv.	£131½	.....	Q9%	—	7.1	—

LEISURE—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
38	17	Nimslo Int 20c	23	.....	—	—	—	—
145	112	Norton Opax 10p	138	−2	t2.17	4.3	2.2	9.9
		For Our Price see Stores						
31½	24	Owners Abroad	24	.....	0.75	ϕ	4.5	ϕ
66	35	Photax (Lon.)	52	.....	—	—	—	—
130	95	Pineapple Dnc St 10p	103	.....	d1.5	4.0	2.1	13.1
420	312	Pleasurama 5p	325	−8	6.5	4.7	2.9	10.6
158	110	Radio City 'A' N/V	110	−10	5.6	1.9	7.4	10.0
70	61	Radio Clyde N/V	63	+1	3.0	1.4	6.8	14.7
148	103	Riley Leisure 10p	103	.....	4.2	2.4	5.8	8.7
118	95	Saga Hols. 20p	98	−1	3.75	ϕ	5.5	ϕ
390	290	Samuelson Grp £1	355	.....	d12.0	2.7	4.8	11.0
27½	22	Sangers Photo 10p	22	−1	bg1.25	1.8	8.1	10.0
164	98	Scott. TV 'A' 10p	154xr	−2	8.1	2.9	7.5	7.2
280	186	SeaCo Inc.	252	.....	—	—	—	—
35	20	SelecTV 10p	20	.....	—	—	—	—
37	24	TSW 5p	33½	.....	1.2	2.2	5.1	13.0
150	79	TVS N/Vtg 10p	130	−5	2.0	5.5	2.2	10.7
30	22	Television Svcs 10p	27	−½	b0.2	ϕ	1.1	ϕ
90	70	Tottenham Hotspur	71	.....	b4.0	1.9	8.0	(3.9)
147	120	Trid'nt TV 'A' 10p	140	−1	5.5	1.8	5.6	13.8
168	168	21st Century Dist.	105	.....	—	—	—	—
197	135	Tyne Tees TV 'A' £1	190	−5	8.25	2.4	6.2	9.8
166	107	Ulster TV N/V 'A'	151	−1	t8.0	2.5	7.6	7.0
25½	18	Webb (Jos.) 5p	22	+½	d0.51	0.5	3.3	—
98	88	Zetters 5p	92	.....	t3.1	3.0	4.8	9.8

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
76	52	BL 50p	59	−2	—	—	—	—
66	50	Coleman Milne 10p	55	.....	1.7	2.8	4.4	11.0
255	251	Gen. Mts. Units	255	.....	Q12c	—	3.3	—
385	294	Honda Motor Y50	385	+6	Q20%	9.1	0.8	13.3

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
306	250	MEPC	276	.....	8.0	1.4	4.1	24.0
140	112	Markheath	112	−5	d9.75	0.9	12.4	14.8
59	50	Marlborough 5p	50xd	−1	0.5	—	1.4	—
113	91	Marler Estates	98	.....	2.0	—	2.9	—
74	52	McInerney 10p	70	.....	Q7.4%	ϕ	7.2	ϕ
145	132	McKay Secs 20p	140	.....	†3.4	b2.9	—	—
122	109	Milbury Secs 5p	122½	.....	ϕd2.0	0.3	2.4	—
280	210	Mountleigh	250	−5	†h4.58	3.5	2.6	11.9
265	228	Mountview 5p	265	.....	†3.7	8.8	2.0	8.1
88	75	Muckow (A. & J.)	76xd	.....	4.5	1.3	8.5	11.7
85	77	New Cavendish 5p	80	.....	h0.91	—	1.6	—
37	19	New England Props	30	.....	1.0	1.5	4.7	17.8
37	28	Parkdale Hldgs. 10p	34	.....	10.6	1.8	3.4	29.6
219	184	Peachey	210	.....	†6.0	1.9	4.1	18.4
254	208	Peel Hldgs.	248	−4	bd7.35	1.2	4.2	26.0
28	18	Phoenix Prop. and Fin.	25	−1	—	—	—	—
619	310	Prest Marians £1	610	.....	B—	—	—	—
204	168	Prop. Hldg. & Inv.	198	.....	14.4	1.5	3.2	31.6
313	275	Prop. Part'ship	290	−10	†6.25	1.8	3.1	25.9
184	166	Prop. & Rev.	180	.....	3.5	1.3	2.8	36.7
134	111	Prop. Sec. Inv 50p	128	.....	2.25	2.1	2.5	28.0
11	8½	Raglan Prop 1p	8½	.....	0.08	3.9	1.2	23.0
94	64	Regalian	68	+4	b2.5	3.9	5.3	7.0
29	19	Regentcrest 10p	27½	+½	†1.0	1.1	5.2	24.2
220	170	Rohan Group 10p	218	−10	Q19%	1.9	7.3	11.2
480	297	Rosehaugh £1	458	−2	2.87	5.1	0.9	24.6

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
84	75	Eng. & NY Trust	77	.....	2.3	1.1	4.3
64½	57½	Eng & Scot. Inv.	58xd	.....	h1.09	1.0	2.6
224	180	Equity Cons't £1	216	.....	t10.15	1.2	6.7
381	346	Do. Dfd. 50p	375	.....	11.9	1.1	4.5
123	112	European Assets DFl1	116	+2	hQ10%	ϕ	1.9
84	72	F & C Alliance Inv.	81	.....	h1.5e	1.0	2.8
37½	33	F & C Ent Tst 10p	33	−½	0.09	1.0	0.4
117	90	F & C Eurotrust	107	−2	1.55	1.1	2.1
188	164	Family Inv. Tst.	178	.....	6.6	1.0	5.3
300	270	Fashion & Gen.	290	.....	12.0	1.0	5.9
12½	10	First Charlotte Assets	10xd	.....	0.05	ϕ	0.7
218	202	First Scot. Am.	204	.....	5.15	1.0	3.6
414	352	Fleming American	366	−2	4.25	1.3	1.7
117	105½	Do 7pc CvUnLn 1999	118	.....	Q7%	—	†6.5
224	185	Fleming Claverhouse 50p	211	−2	7.5	1.0	5.1
220	180	Fleming Enterprise	211	−2	7.2	1.0	4.9
314	249	Fleming Far Eastern	249xd	−3	2.0	ϕ	1.1
106	92	Fleming Fledgeling	92	−1	2.25	1.0	3.5
517	420	Fleming Japanese	420	−4	F1.75	1.2	0.6
515	420	Do 'B'	420	−4	—	—	—
106	93	Fleming Merc.	98	.....	2.8	1.1	4.1
298	262	Fleming Overseas Tst.	262	−2	7.0	0.9	3.8
150	132	Fleming Tech. Inv.	132	−1	h2.15	1.0	2.3
254	237	Fleming Universal	238	−1	6.75	ϕ	4.1
120	105	Foreign & Col	106	+1	2.38	1.0	3.2
245	220	FUGIT (R0.25)	245	.....	Q16.5c	ϕ	4.0

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
330	265	Cambridge Pet 20p	330	.....	—	—	—	—
247	190	Carless Capel 10p	230	−7	g2.75	1.0	1.7	76.0
78	65	Century 10p	68	−2	3.4	2.7	7.1	7.3
84	69	Charterhall 5p	69	−2	g0.3	ϕ	0.6	ϕ
167	113	Charterhouse Pet.	166	−1	0.75	3.4	0.6	47.6
£32	£14¼	Cie Fr. Petroles B	£22	.....	v30%	—	5.9	—
138	108	Claremont Pet NL	108	−2	—	—	—	—
110	80	Cluff Oil £1	92	−1	—	—	—	—
115	80	Do. Cnv. A	90	.....	—	—	—	—
150	113	Clyde Petroleum	118	−2	0.91	3.8	1.1	29.0
48	18	Collins (K.) 10c	47	.....	—	—	—	—
10½	6½	Command Pet. N.L.	6½	.....	—	—	—	—
100	75	Conroy Pet Nat Res	75	.....	—	—	—	—
240	170	Crusader Oil	170	−3	—	—	—	—
30	20	Dorset Res C$1	26	.....	—	—	—	—
60	22	Double Eagle	52	−1	—	—	—	—
70	63	E. Scotland Onshore	63	.....	2.0	1.2	4.5	25.9
95	75	Edinburgh Secs.	90	−5	0.15	—	0.2	—
245	76	Egl'ton Oil (£0.05)	225	−8	—	—	—	—
23	13	Energy Capital 12½p	15	.....	—	—	—	—
7	4½	Energy Sources 10p	6	.....	—	—	—	—
24	17	Europa	18	.....	—	—	—	—
37	19	Falmouth Pet.	19	.....	—	—	—	—
95	30	Flair Res.	30	−7	—	—	—	—
105	83	Floyd Oil 10p	98	.....	—	—	—	—
40	20	Gaelic Oil	25	.....	—	—	—	—
105	88	Genoa NL 50c	90	.....	—	—	—	—

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

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MINES—Continued

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Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

Insurances—continued

IntlManFd	257.8	271.3	−0.5	—
JapPnFdAcc	136.3	143.4	−2.3	—
AmPnFdAcc	115.8	121.1	−1.2	—
Property	243.9	256.7	+0.1	—
MoIntPnAc	544.2	572.8	−2.0	—

Colonial Mutual Group
24 Ludgate Hill EC4P 4BD. 01-248 9861
Capital Life Assurance

KeyInvFd	—	131.09	....	—
PcmkrInvFd	—	132.91	....	—
Equity Fd	134.61	141.70	....	—
FxdIntFd	111.72	117.60	....	—
Propty Fd	114.47	120.49	....	—
Cash Fd	102.91	108.33	....	—
ManagdFd	130.58	137.45	....	—

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,424

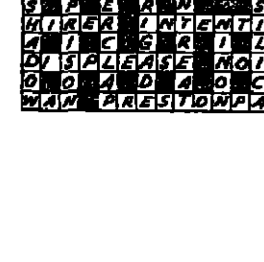
ACROSS

1 Let down the strong box as a final precaution (4, 4)
5 Powerful melody about a powerless tramp (6)
9 Superior plate for the aristocracy? (5, 3)
10 Worship before following the vicar (6)
11 Scolds the gent about being sick all over the place (5, 3)
12 Spread catsup and throw up (6)
14 He and I sat on it in confusion about . . . er . . . um . . . oh, for a few seconds, for example! (10)
18 Render more intricate and come about a clap it rendered more intricate (10)
22 Assistance for 6 Down, perhaps, to the second (6)
23 Represent another trip down the slipway, perhaps (8)
24 In which to carry the piscatorial produce of a hundred lines? (6)
25 Reason for a blank stare? (5, 3)
26 Exercises put back in little sister (3-3)
27 Came from blended tea after man was taken in by the editor (8)

DOWN

1 Shortcomings lose their point for services doubly rendered (6)
2 Blow when I'm ahead of the truce (6)
3 Strain that's very French on board . . . (6)
4 . . . doubtless inspiring De Gaulle's resistors (4, 6)
6 Shapen it into a performer (8)
7 Of the musical work about the age of sight, apparently (8)
8 Golfer Norman hangs about pointless set in salutation (8)
13 Small talk of severely critical nature takes all but one trick (6, 4)
15 Around tears these frozen assets reduce inflation (3, 5)
16 I'm retiring partly but totally forward (8)
17 Somersault backwards in a beach sandal? (4, 4)
19 Cleric whose offspring is below average (6)
20 Under canvas for a purpose? (6)
21 Pierce the eye with dart he organised? (6)

Solution to Puzzle No. 5,423



INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Ass.—Cont.

Income Accum	133 7	140 8	-1 2	—
Do Initial	127 6	134 4	-1 1	—
Universal Tec. Acc.	84.2	88.7	+0 4	—
Do. Initial	83 1	87.5	+0.4	—
Man. Pens. Accum.	264 3	278 3	...	—
Do. Initial	213 9	225.2	...	—
Gilt-Eq. Pens. Accum.	216 3	227 7	...	—
Do Initial	168.3	177 2	...	—
Money Pens. Accum.	197.4	207.8	...	—
Do. Initial	155 8	164 0	...	—

Black Horse Life Ass. Co. Ltd.
346A High St., Chatham 0634 405161

Black Horse Man Fd.	262 11		...	—
Managed Inv. Fd.	175 37	184.60	...	—
Property Fd.	154 90	163 06	...	—
Fixed Interest Fd.	149.66	157 44	...	—
Cash Fd.	139 26	146.59	...	—
Income Fd.	202.57	213.24	...	—
Extra Income Fd.	197.87	208 29	...	—
Worldwide Growth Fd.	230.86	243.02	...	—
Balanced Fd.	204 85	215 63	...	—
Smlr Co's & Recy Fd	231.01	243 17	...	—
Int. Technology Fd	257.53	271 09	...	—
Nth. Amer. & Gen Fd.	150 97	158 92	...	—
Energy Int. Fd.	113 93	119 93	...	—
Pacific Basin Fund	164 31	172.96	...	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	121 4	127 8	...	—
Property	125.7	132.3	...	—
Equity	132 8	139 8	...	—
International	135 6	142.8	...	—
Fixed Interest	105 7	111 3	...	—
Deposit	102.4	107 8	...	—
Managed Pen. Cap.	120 6	126.9	...	—
Property Pens. Cap.	126.5	133 1	...	—
Equity Pens. Cap.	126.9	133 6	...	—
Intnl Pens. Cap.	139 6	147 0	...	—
Fixed Int. Pens. Cap.	100 3	105 6	...	—
Deposit Pens. Cap.	98.4	103 8	...	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P Bar 51122

Equity Gth March 1	103 6		...	—
Retmt. Fed. April 6	296.3	—	...	—
Managed Pen Fund	198.2	208 7	...	—
Property Pen Fund	116 0	122.1	...	—
Index Lnkd Pen Fund	111.5	117 4	...	—
Managed	126.9	133 6	-1.0	—
Property	108.3	114 1	...	—
Gilt and Fixed Interest	108.0	113.7	-0 3	—
Index-Linked	97 1	102 3	-0 4	—
Equity	128.3	135 1	-1 3	—
Cash	108.4	114.2	...	—
Midland Bk. Unit Tst.	125.9	132.6	-2.1	—
Midland Bank Intnl.	141.8	149 3	-0 8	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£43 06	—	-0.29	—
Property Units	£17.64	—	...	—
Equity Bond/Exec	£27 79	29 41	-0.19	—
Prop. Bond/Exec.	£23.06	24 40	...	—
Bal. Bd./Exec/Unit	£24 19	25 60	-0.10	—
2nd Equity Acc.	215.8	228.4	-1.3	—
2nd High Inc/Acc	180.6	191 1	+0.1	—
2nd Property Acc	175.5	185 7	...	—
2nd Managed Acc.	174 9	185.0	-0.9	—
2nd Deposit Acc	149 0	157 7	...	—
2nd Gilt Acc	144.2	152 6	-0.2	—
2nd American Acc.	161.7	171.1	-1.6	—
2nd Intl Money Acc.	148.2	156.8	+0.2	—
2nd Index Acc.	98.7	104 4	-0.3	—
2nd Far East Acc.	99 4	105.2	-0.6	—
2nd Eq. Pens./Acc.	310.7	328.8	-2.4	—
2nd Hi Inc Pens/Acc.	194.6	205.9	+0.2	—
2nd Prp. Pens/Acc	227.5	240.7	...	—
2nd Mgd. Pens/Acc.	227 8	241.1	-1.0	—
2nd Dep. Pens/Acc.	199.2	210.8	...	—
Gilt Pens/Acc	189.5	200.5	-0.3	—
2nd Am. Pens/Acc.	226.6	239.8	-2.1	—
2ndInt. MoneyPen/Acc	183.4	194.1	+0.3	—
2nd Index Pens./Acc.	105.2	111.3	-0.2	—
2nd Far East Pens/Acc.	100.3	106.1	-0.7	—
L & E S I.F.	76 5	81.0	...	—
L & E S.I.F. 2	51.5	55 0	...	—

Current value at May 22.

Capital Life Assurance
Continued on adjacent Page

Chieftain Assurance Funds
11 New Street, EC2M 4TP. 01-626 1533.

Managed Growth	200.05	210.58	...	—
Managed Income	98.19	103.36	...	—

Other prices available on 01-626 1533.

City of Westminster Assurance
Sentry House, 500, Avebury Boulevard, Central Milton Keynes MK9 2LA. 0908-606101

	Series (2)			(1)
West Prop. Fund	99 1	104.4	...	95 9
Managed Fund	285.8	300.9	-1.1	283.3
Equity Fund	140.2	147.6	-0.9	139.1
Farmland Fund	77 2	81.3	...	74 3
Money Fund	187.0	196.9	+0.1	189.0
Gilt Fund	114.7	120.8	-0 5	116.0
Natural Res Fd	109.5	115.3	-0.7	109.5
PULA Fund	221.0	232.0	...	221.0
Soc. Prop Units	86 0	90.3	...	86.0
Soc. Fort Unit Fund	300.4	315 4	-1.7	300.4
PBR Fund	133 8	140.9	...	133.8
S.U.N Flag Fd.	96.3	101.4	-0.2	96.3
Perform Units	365.7	—	-1.8	367.1

Fund currently closed to new investment.
For Pension Prices please phone 0908 606101
Series (2) Prices are for policies issued after 1.1.1980.
Series (1) These are bid prices for earlier policies.

G.T. Management Ltd
16 Finsbury Circus, Lond EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	125 4	132 0	+0 3	—
GT Pln High Yld Fnd	134 2	141.3	-2 0	—
GT Plan Far East Fnd	120 8	127.2	-1 0	—
GT Plan N Am Fd	117 5	123 7	-0 9	—
GT Pln UK&G.E. Fnd	155.8	164 1	-1.4	—
GT Pln Wrldwde Fnd	149.1	157.0	-0.8	—
GT Pension Bnd Fnd	136.8	144.1	+0 4	—
GT Pen High Yld Fd	155 6	163 8	-2.5	—
GT Pen Far East Fd	150 0	157 9	-1.5	—
GT Pen N Am Fd	173.2	182 4	-1.2	—
Pen UK and General	182.2	191 8	-2.8	—
GT Pen Worldwide Fd	159 6	168 1	-1.0	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0733

Intl. Managed Bond	174 7	183 9	...	—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	274.3		...	—
Portfolio Fd. Int.	220.8		...	—

Continued on adjacent Page

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd B'mouth. 0202 767655

Managed Fd	289 3	304 8	...	—
Money Fd	159 7	168.1	...	—
Equity Fd	246.4	259 4	...	—
Fixed Int Fd	118 5	124 9	...	—
Property Fd	177 4	186.9	...	—
Managed Pen Fd	281 8	296.9	...	—
Equity Pension Fd.	177 7	187.3	...	—
Fixed Int. Pen Fd.	167 8	176 8	...	—
High Yield Pen Fd.	165.8	174.7	...	—
Money Pension Fd	134 0	141.3	...	—
Property Pension Fd	132 9	140 0	...	—
Gresham/Framlington				
American & Gen. Fd.	226 3	238.5	-1 0	—
Income Fd	219 4	231.2	-2 1	—
Int'l Growth Fd	255 9	269.6	-2 4	—
Capital Fund	228 0	240 3	-2 1	—
Recovery Fund	158 9	167 4	-2 0	—
Japan & Gen Fd	91 7	96.6	-0 8	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1537	—	...	—
Landbank Secs.	66.15	—	...	—
Landbank Secs. Acc.	190.9	195.8	...	—
G & S Super Fd	£11.547	—	...	—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance				
Property Bonds	314 8	327 9	...	—
GRE Linked Assurance Ltd.				
Managed Initial	222 4	234 1	-2.9	—
Do. Accum	250 2	263 4	-3 2	—
Equity Initial	288 3	303.5	-4.7	—
Do. Accum	324 4	341.5	-5.2	—
Fixed Int. Initial	191.6	201.7	...	—
Do Accum	215.6	226 9	...	—
Intnl Initial	206.0	216 9	-0.2	—
Do Accum	231.8	244 0	-0 2	—
North American Initial	93.3	98 1	...	—
Do Accum	95 5	100.5	+0.1	—
Pacific Initial	102 4	107 8	-0.5	—
Do. Accum	103 9	109.3	-0.5	—
Index-Linked Gilt Init.	92.3	97.1	-0 1	—
Do Accum	94 5	99 4	-0.1	—
Property Initial	123.3	129 8	...	—
Do Accum	138.5	145.8	...	—
Deposit Initial	124 8	131.4	...	—
Deposit Accum.	140.4	147 8	...	—
GRE Pensions Management Ltd.				
Pens. Managed Initial	224.0	235.8	-2.8	—
Pens. Managed Acc.	246.3	259 3	-3.1	—
Pens. Equity Initial	305 5	321 6	-3.9	—
Pens. Equity Acc.	336 0	353 7	-4.2	—
Pens. Fxd. Int. Initial	201.9	212.5	+0.3	—
Pens. Fixed Int. Acc.	222 0	233.7	+0.4	—
Pens. Int'l Initial	203.3	214.1	-2.1	—
Pens. Int'l. Acc.	223 6	235.4	-2.3	—

Continued on adjacent Page

Hambro Life Assurance PLC
Allied Hambro Ctr, Swindon, SN1 1EL 0793 28291

Fixed Int. Dep. Acc.	191.4	201.5	...	—
Equity Acc.	430.7	453 4	...	—
Property Acc.	289.3	304 6	...	—
Managed Cap.	241.3	254.1	...	—
Managed Acc	371.8	391 4	...	—
O'seas Earnings Acc.	284.0	299.0	...	—
Gilt Edged Acc	213 8	225.1	...	—
American Equity Acc.	234.7	247 1	...	—
American Man Acc.	125.8	132.5	...	—
American Prop Acc	109 6	115.4	...	—
Pen.F.I Dep Cap.	208.3	219.3	...	—
Pen.F.I.Dep.Acc.	299 0	314.8	...	—
Pen. Prop. Cap.	351 6	370.2	...	—
Pen. Prop. Acc.	557 0	586 4	...	—
Pen. Man. Cap.	449.8	473.5	...	—
Pen. Man. Acc	712.5	750.1	...	—
Pen.GiltEdg.Cap.	226.5	238.5	...	—
Pen. Gilt Edg. Acc.	293.3	308.8	...	—
Pen. Eq. Cap.	661.2	696.1	...	—
Pen. Eq. Acc.	794 1	835.9	...	—
Pen. Am. Eq. Cap.	92.7	97.6	...	—
Pen. Am. Eq. Acc	93.8	98.8	...	—
Pen. Far East Cap.	95.3	100 4	...	—
Pen. Far East Acc.	96 6	101.7	...	—
Pen. B.S. Cap	211.4	222.0	...	—
Pen. B.S. Acc	295.4	310.2	...	—
Pen. D.A.F. Cap.	171.4		...	—
Pen. D.A.F. Acc.	213.4		...	—
Pen Morgage Cap	96.8	101.9	...	—
Pen. Mortgage Acc.	98 0	103.2	...	—

Hearts of Oak Benefit Society
129, Kingsway, London, WC2B 6NF. 01-404 0393

Property Fund	48.2	51.9	...	—
Managed Fund	135.1	142.7	...	—

OFFSHORE AND OVERSEAS

COMMODITIES AND AGRICULTURE

UK milk curb deal 'worst of all'

FINANCIAL TIMES REPORTER

BRITAIN SECURED the worst deal of all in the European Common Market's plan to curb milk production, Mr Michael Jopling, the UK Agriculture Minister, was told yesterday.

For the second day running he faced the anger of dairy producers, many of whom fear their livelihoods are threatened by the milk cuts forced on the industry.

On Tuesday he was stranded in Llangadog, Dyfed, Wales, when hundreds of farmers blocked all roads leading into the town. It took police two hours to persuade demonstrators to lift the blockade. There were, however, warnings of further militant action.

Yesterday Mr Jopling had to defend the Government's position again, this time at the annual meeting in London of the Dairy Trade Federation.

Mr Nicholas Horsley, federation president, told him: "The deal we got was a very bad one for the UK. The dairy industry has only one raw material, milk, and when a decision is taken in a foreign place for political reasons which will affect supplies and could push up prices we have got to holler.

"The UK got the worst deal of all in the quota arrangement."

Mr Jopling said Britain could not be isolated from the decision in Brussels because UK dairy-farmers were contributing to the surpluses of butter and skimmed milk powder.

He said Common Market taxpayers would have had to pay out well over £3bn this year to fund surplus milk production if farm ministers had not agreed to take drastic action to cut output.

Last year Britain was 103 per cent self-sufficient in butter and 131 per cent self-sufficient in skimmed milk powder.

"We have been contributing to the Community's stockpiles and it is right that we make our own contribution to the cuts. It was impossible, given the gravity of the surplus problem, to devise a policy that was painless to all.

"Farmers throughout the EEC do not like being asked to reduce production. It will make life difficult for the industry and many farmers will face serious problems."

The British Government was therefore urgently seeking ways to relieve some of these problems, especially for the smaller producer. An announcement on this could be expected soon.

West country farmers plan to picket the prestigious Three Counties Agricultural Show at Malvern, Worcs, when Mr Jopling visits as a guest on June 12. Their decision follows the show organisers' rejection of a National Farmers Union call for withdrawal of Mr Jopling's invitation.

Coffee quota operations face scrutiny

EXPORT QUOTA operations of the International Coffee Organisation will be scrutinised at a meeting of its executive board in London on June 4.

ICO delegates said the board would try to discover some reasons for prices continuing to surge, to new 6½-year highs, in spite of three rises of 1m bags triggered since initial 1983-84 (October - September) export quotas were established at 56.2m bags of 60 kg each.

Yesterday the July position on the London futures market gained £14.50 to £2,512 a tonne.

One possible explanation for the continued uptrend is the inevitable delay between quota rises and sale and shipment by individual exporting countries of their additional shares, delegates and traders said.

Wild factors give Israeli citrus industry the pip

BY A CORRESPONDENT

ISRAEL'S CITRUS industry, with exports totalling £250m, earns the nation more net foreign exchange than almost any other. Producers and exporters, however, are deeply unhappy with its performance.

So too is the man on whom onus for the industry's condition falls. He is Mr Dan Paldi, general manager of the Citrus Marketing Board of Israel. He is at the mercy of factors beyond his control.

● A monetary policy applied three years ago to Israel's economy effectively presented the industry with the worst of several worlds, Mr Paldi said recently in Tel Aviv.

He said devaluation of the shekel was artificially resisted, so aggravating inflation which now approaches 400 per cent. This, in addition to 95 per cent of Israel's citrus production, with an added-value of 87 per cent, being exported and paid for in European currencies, has cost its 40,000 producers 38 per cent of their incomes over those three years.

● World recession and a decline in household spending has meant consumers eat fewer oranges.

● Overproduction of citrus is such that the ups and downs experienced by other commodities are virtually non-existent for it. With citrus there is seldom shortage, so prices are constantly under pressure against which even such assets as the Jaffa trade-name and the unique shamouti variety of orange do not command the premiums they should.

For much of the overproduction, which dates from the mid-1970s, Spain is blamed. So many hectares has Spain added to its citrus groves that it looks to Israel like the basis for an offensive with which Spain, when it joins the European Common Market, could build a mountain beside those of milk and grain.

Cuba in the past decade has also crept up, its exports of oranges and grapefruit, as yet chiefly to the Soviet bloc, mounting to put further pressure on Mediterranean supplies. Though in quality and reliability Cuba is not yet fully competitive, Israel fears that one day the Caribbean producer might get it right.

Turkey also poses a threat. Oil money is establishing citrus plantings there.

Spain, however, remains the ogre, and not just because of citrus. In the past two years Spain extended its avocado pear orchards by an area equal to about half that of all Israel's, and some substitution is taking place to the detriment of citrus. In France, for example, diners have been switching from grapefruit cocktail to avocado for starters.

Spain and Israel have supplied Europe with citrus for more than a century. Israel wants neither to encroach on its competitor's traditional preserves nor yield its own. Yet today's situation it seen as a collision course to avert which action by one side only would be inadequate.

What is needed, in Israel's view, is agreement by which Mediterranean producers, whether Moroccan, Israeli, Spanish or Italian, would receive absolute equality of conditions for trading with the EEC and provision for keeping traditional shares of Western European outlets, including those of such non-EEC countries as Switzerland.

In this context Britain's stand on EEC budget contributions and farm spending is welcomed for having helped discredit surpluses and extravagance.

Such measures would reflect Israel's preference for co-operation over conflict. Not only, it is held, would they prevent markets from being flooded with the sort of inferior fruits a trade war based on quantity could produce; they would also encourage a generic rise in consumption that would benefit all those contributing to a constructive sharing of markets.

Consumers, concerned with diet and health, are believed ready to be persuaded to eat more citrus.

For its own part Israel has stopped expanding citrus production for the time being and has taken measures, some unpopular, to relate producers' returns to quality, so much so that payments can vary up to 50 per cent depending on fruit quality.

Nor is Israel confining itself to Europe. Markets being penetrated include the U.S., Canada, Japan, Singapore and even, in their off-season, Australia and South Africa. Israel plans to treble sales to the U.S. and the Far East to 10 per cent of all its citrus exports within a few years.

Backing the effort is a programme of scientific advances being made by the board's agrotechnical division under Mr Mena Davidson. It includes refinements in packaging to reduce freight costs, quality-control standards higher than ever before and the "invention" of citrus types not hitherto seen.

THE UK is Europe's most successful market for the kumquat, says the Citrus Marketing Board of Israel. Jaffa imported 2,000 4 kg boxes of this plum-sized, tangy novelty fruit in the 1982-83 season; imports in the season from December last year to this March were 850 boxes weekly, a total of 10,000 boxes.

The board develops hybrid fruits

World sugar consumption forecast at 97m tonnes

WORLD SUGAR consumption in the 1984-85 (September-August) season is forecast at about 97.3m tonnes, nearly 2 per cent above this season's level, by the U.S. Department of Agriculture.

Much of the rise is likely to be in developing countries with high population growth, the department said in its Foreign Agriculture Circular, published yesterday. Improved availability of new crop sugar should aid consumption.

● The European Commission authorised export of 9,650 tonnes of white sugar in its main sugar series and 51,500 tonnes in a supplementary series at its weekly tender yesterday.

● TEA sold at London's auction on Monday averaged 253.12p a kilo, down from 256.65p last week.

● THE WOOL Council of Australia voted to recommend that the Australian Government leaves the market indicator floor price for the 1984-85 season beginning July 1 at the 1983-84 level of 470 cents a kilo, in view of the world economic situation.

● THE National Farmers Union won its 32nd consecutive Gold Medal at Chelsea Flower Show for an exhibit of 2½ tons of fresh produce with the theme The Storehouse of Europe.

● COLORADO BEETLES are being searched for in Eastern England after Agriculture Ministry scientists found an unusually high number of the insects. This year 141 have been found, compared with 38 in the corresponding period last year.

A live beetle was recently found in a Kent farmer's potato-store and a dead one in a store of frozen broad beans from Lincolnshire or East Anglia.

Joint ventures may boost Third World shrimp income

BY ANTHONY McDERMOTT IN GENEVA

SHRIMPS, their cultivation, processing and marketing improved, could become a more important source of income for Third World developing countries over the next few years than hitherto, says a study by the Geneva-based International Trade Centre.

The centre is a joint subsidiary of the General Agreement on Tariffs and Trade and the United Nations Conference on Trade and Development (Unctad).

Shrimp imports are worth more than $3bn (£2.2bn) a year and in volume stand at about 450,000 tonnes. The report says the world market for shrimps will continue to expand in the next 10 years, though at a much slower rate than in the past decade.

Between 1977 and 1981 the volume and trade in shrimps rose respectively by 22 per cent and 66 per cent. In 1982 further increases were recorded — 10 per cent in volume and 15 per cent in value.

According to the ITC, the five top exporters and 40 developing countries accounted for almost 70 per cent of the world catch in 1982.

The survey says the pattern of exports and the size—order of exporters has not changed much over the past few years and is not expected to do so. India exports the most in volume terms.

Overall imports in 1982 totalled 456,051 tonnes worth $3.2bn. The figures for last year suggest this pattern has altered little. Japan was the main client.

According to the centre, experts generally agree that while natural shrimp stocks remain under-exploited, any significant and sustained rise in production will have to come from shrimp-farming.

Investment in this area, which could particularly benefit developing countries, could be attractive even at current prices. Prices could rise further, encouraging this trend.

The centre says the benefits that can result from shrimp culture have been demonstrated in Latin America and South-east Asia.

It concludes: "Further development of shrimp-farming will take place largely in developing countries. Appropriate technology for this industry is likely to come in part from joint ventres with companies in industrialised countries."

INTERNATIONAL SHRIMP TRADE 1982

	Value ($)	Market share (%)	Volume (tonnes)	Market share (%)
EXPORTERS				
Mexico	427.6m	14.8	40,538	9.4
India	362.6m	12.5	58,581	13.6
Indonesia	234.5m	8.1	27,331	6.3
China	152.7m	5.3	17,104	4.0
Thailand	160.0m	5.5	27,323	6.3
IMPORTERS				
Japan	1.3bn	41.4	154,024	33.8
U.S.	1.0bn	31.8	122,607	26.9
UK	142.7m	4.5	27,550	6.0
France	130.7m	4.2	30,638	6.7

PRICE CHANGES

In tonnes unless stated otherwise	May 23 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1340/1378	+55	$1410/448
Copper			
Cash h Grade	£1021.25	+10.5	£1050
3 mths	£1038.75	+10.5	£1068.25
Cash Cathode	£1024.5	+9	£1048
3 mths	£1035.5	+9.25	£1062
Gold troy oz.	$377.75	−0.25	$382.75
Lead Cash	£324.5	−9.5	£329.25
3 mths	£334.75	+0.5	£337.25
Nickel	£4988	......	£4896
Free Mkt	216/236c	......	217/237c
Palladium oz	$154.00	−0.25	$163.00
Platinum oz	$388.50	−2	$401.00
Quick silver†	$290/305	......	$318/318
Silver troy oz	656.20p	+2.50	655.30p
3 mths	670.70p	+2.35	669.10p
Tin cash	£9085	+27.5	£8905
3 months	£8994	+26.5	£8906.5
Tungsten	$83.20	......	$83.51
Wolfram 22.04lb	$84/88	−1	$84/88
Zinc	£737.5	+13	£706.5
3mths	£670.5	−3	£699.5
Producers	$1050/1080	......	$1050/1080

	May 23 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1495w	−30	$1200
Groundnut	‡	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$980v	−20	$860
Seeds			
Copra Phil.	$840x	......	$780
Soyabean (U.S.)	$354.6z	−2.15	$327
Grains			
Barley Fut. Sep.	£106.70	−0.15	£106.90
Maize	£147.50	......	£148.75
Wheat Fut. Jly.	£126.95	−0.20	£128.50
No 2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£2124	+5	£1971
Futures Jly	£2058.5	+5	£1906.5
Coffee Ft. Jly	£2512	+14.5	£2056
Cotton A index	89.75c	−0.15	89.30c
Gas Oil June	$247.5	−1.75	$243
Rubber (kilo)	69.75p	......	73p
Sugar (raw)	$110wv	−3	£113
Woolt'ps 64s	475p kilo	......	470pkil

‡ Unquoted. z June. v July. w May-June. x June-July. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

Softer physicals continued to put pressures on the gas oil market and prices weakened further during the morning. Unexpected strength on the New York opening pushed the market to the highs, but it later eased-off to the morning's levels, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.30-28.45	−0.10
Iranian Light	28.05-28.20	−0.03
Arab Heavy	27.00-27.15	−0.08
North Sea (Forties)	29.60-29.70	−0.02
North Sea (Brent)	29.60-29.80	−0.23
African (Bonny Li'ht)	29.80-29.90	−0.15

PRODUCTS—North West Europe ($ per tonne)

Premium gasoline	280-286	—
Gas Oil	248-251	−1.5
Heavy fuel oil	187-189	−1

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
May	246.00	−1.50	248.50-46.00
June	247.50	−1.75	249.00-47.25
July	248.25	−2.50	250.50-48.25
Aug.	250.50	−1.75	252.50-50.50
Sept.	252.50	−3.00	255.75-52.50
Oct.	255.00	−1.00	255.25-54.25
Nov.	257.50	−1.50	257.50-57.00
Dec.	259.50	−0.50	259.50-59.25
Jan.	259.75	−3.50	—

Turnover: 1,679 (2,415) lots of 100 tonnes.

GOLD MARKETS

Gold fell just $½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $377½-378. The metal opened at $379-379½ and traded between a high of $379½-379¾ and a low of $377½-377¾. Trading was generally quiet and featureless with prices restricted to a narrow trading range.

In Paris the 12½ kilo bar was fixed at FFr 102,700 per kilo ($378.35 per ounce) in the afternoon compared with FFr 102,200 ($377.78) in the morning and FFr 102,300 ($377.15) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 33,365 per kilo ($379.01 per ounce) against DM 33,585 ($380.50) and closed at $378½-379 from $379½-379¾.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $379.25 from $379.75.

In Zurich gold finished at $378½-379 from $379½-380.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
May	—	—	—
June	378.50-78.70	−0.85	380.40-78.60
Aug	386.60-86.70	−0.80	387.40-86.40
Oct	394.00-94.50	−1.25	—
Dec	402.20-02.40	−1.85	402.50
Feb.	410.40-10.60	−0.95	410.50

Turnover: 535 (674) lots of 100 troy ounces.

	May 23		May 22	
Gold Bullion (fine ounce)				
Close	$377½-378	(£273¼-273¾)	$377¾-378¼	(£272-272½)
Opening	$379-379½	(£273¼-273¾)	$380-380½	(£272¾-273¼)
Morning fixing	$378.50	(£273.400)	$379.15	(£272.809)
Afternoon fixing	$378.55	(£272.829)	$379.50	(£272.668)

Gold and Platinum Coins May 23

Krugrnd	$389¼-390	(£281¼-282½)	King Sov	$90-91½	(£65-66)
½ Krug.	$200¾-201½	(£145½-146)	Victoria Sov	$90-91½	(£65-66)
¼ Krug.	$102½-103¼	(£74¼-74¾)	French 20s	$73-74¾	(£52¾-54¼)
1/10 Krug.	$41¾-42½	(£30¼-30¾)	50 Pesos Mex	$467½-469	(£338½-339½)
Mapleleaf	$389-389¾	(£281¼-282¼)	100 Cor-Aust	$367-370	(£265¾-268)
New Sov.	$89-89¾	(£64½-65)	$20 Eagles	$590-600	(£427¼-434½)
½ New Sov.	$53¾-54	(£38½-39)	Noble (Plat.)	$399¾-404	(£289¾-292)

EUROPEAN MARKETS

ROTTERDAM, May 23.

Wheat—(U.S.$ per tonne): U.S. Two Soft Red Winter mid-June/mid-July 161.50, Aug 158.50, Sept 160.50, Oct 167, Nov 167, Dec 167. U.S. Two Northern Spring 14 per cent protein May 189, June 185.75, July 184.75, Aug 181, Sept 179, Oct 181, Nov 182. U.S. Three Hard Amber Durum June 185.50, July 184.50, Aug 183, Sept 180, Oct 183, Nov 185. Canadian One Western Amber Durum Nov 200.

Maize—(U.S.$ per tonne): U.S. Three Yellow: May 165, June 164, July 164, Aug 164, Sept 159, July/Sept 162, Oct/Dec 142 sellers. Argentine Plate afloat 170 cif Ghent, May 170, June 168 sellers.

Soyabeans—(U.S.$ per tonne): U.S. Two Yellow Gulfports June 348.60, July 349.30, Aug 351.90, Sept 323.25, Oct 290.85, Nov 290.30, Dec 291.80, Jan 295.40, Feb 300.40, March 303.30 sellers.

Soyameal—(U.S.$ per tonne): 44 per cent afloat 216 to 218, June 221.50, June/Sept 225, Oct 221, Oct/Dec 217.50, Nov/March 218 sellers. Pellets Brazil afloat 218, May 220, June 220, July 221, Aug 231, Sept 231, June/Sept 226, Oct/Dec 232 sellers. Pellets Argentine May 217, June 219, July 222, June/Oct 220 sellers.

PARIS, May 23.

Sugar—(FFr per tonne): Aug 1360/1362, Oct 1430/1434, Dec 1535/1540, March 1675/1685, May 1745/1759, Aug 1805/1820.

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Copper rose to £1,046 in early trading, reflecting the strength on Comex overnight, but thereafter fell away to close the late Kerb at £1,041, after £1,037.5. Lead touched £340 but attracted heavy stop-loss selling on the late Kerb and dipped to £322 prior to closing at £325. Zinc ended a fraction firmer at £675 although the backwardation widened considerably while Commission House buying boosted Aluminium to around £968 before hedge selling reduced the price to £950 at the close.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1027.5-8	+15.5	1021-.5	+10.5
3 months	1044.5-5	+14.5	1038.5-9	+10.5
Settlem't	1028	+15.5	—	......
Cathodes				
Cash	1031-2	+16.5	1024-5	+9
3 months	1042-.5	+18	1035-6	+9.25
Settlem't	1032	+17	—	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,027, 27.50, three months £1,040, 41, 41.50, 42, 43, 43.50, 44, 44.50, 45. Cathodes: Three months £1,040, 41, 41.50, 42, 43, 43.50, 44, 44.50, 45. Cathodes: Three months £1,041.50, 42. Kerb: Higher Grade: Three months £1,044, 43, 43.50, 43, 42, 41, 40. Afternoon: Higher Grade: Three months £1,041, 41.50, 41, 38, 38.50, 39, 38.50. Cathodes: Three months £1,036. Kerb: Higher Grade: Three months £1,040, 38, 39, 40, 41, 41.50. Turnover: 30,525 tonnes. U.S. *Producers*: 68.00-72.00 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9045-55	−2.5	9095-100	−40
3 months	9010-20	......	9035-45	+25
Settlem't	9055	......	—	......
Standard.				
Cash	9045-55	+3.5	9080-90	+27.5
3 months.	8971-5	+1.5	8985-90	+26.5
Settlem't	9056	+7	—	......
Straits E.	$29.15	......	—	......

Tin—Morning: Standard: Cash £9,045, three months £8,975. High Grade: Cash £9,045, three months £9,010. Kerb: Standard: Three months £8,975. Afternoon: Standard: Three months £8,985, 90, 95, 9,000. High Grade: Cash £9,098. Kerb: Standard: Three months £9,010, 20, 10, 5. Turnover: 1,795 tonnes.

LEAD

Spot: 25-28 cents a pound.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	328.5-9	+6	324-5	−9.5
3 months	328.5-9	+5.25	334-.5-5	+.5
Settlem't	329	−8	—	......

Lead—Morning: Three months £333, 32.50, 32, 31.50, 30, 29, 28.50, 29. Kerb: Three months £328, 27, 28, 25, 24, 23, 22, 23, 24, 25. Afternoon: Cash £324, three months £326, 26, 26.50, 27, 26.50, 26, 25, 24, 25. Kerb: Three months £326.50, 26. Turnover: 18,850 tonnes. U.S. Spot 26.00-28.00 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	732-3	+4	735-40	+15
3 months	667-8	−9.75	670-1	−3
Settlem't	733	+5	—	......

Zinc — Morning: Cash £730, three months £665, 66, 67, 68. Kerb: Three months £667, 66. Afternoon: Three months £668, 69, 70, 71. Kerb: Three months £671, 72, 73, 74, 75. Turnover: 18,250 tonnes. U.S. Prime Western 52.75-53.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	943-5	+44.7	943-4	+28.5
3 months	966-7	+41.2	953-4	+25

Nickel — Morning: Three months £3,570, 75, 70. Kerb: Three months £3,570, 60. Afternoon: Three months £3,570, 75, 70, 60, 40, 30. Kerb: Three months £3,540, 35, 40, 30, 40. Turnover: 1,650 tonnes.

NICKEL

Aluminium—Morning: Three months £960, 61, 60, 60.50, 61, 61.50, 62, 65, 66, 67, 66.50, 66, 65, 64.50, 64, 63, 62, 60, 61, 62, 63, 61, 60, 59, 58, 57, 56. Kerb: Three months £957, 56, 55, 54, 52, 54, 53.50. Afternoon: Three months £957, 58, 53, 52, 51, 50, 49, 48, 47, 48, 49, 50, 51, 53, 54. Kerb: Three months £952, 50, 40, 49, 40, 50, 51.50. Turnover: 59,925 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3490-5	−4	3450-60	−52.5
3 months	3570-2	......	3525-30	−55

SILVER

LME—Silver (2,000 oz contract): Cash 654.5p (652.5p): three months 669p (667.25p). Turnover: 0 (same).

Turnover: 113 (159) lots of 10,000 oz. Morning: Large three months 671, 71.5, 72, 72.5. Kerb: untraded. Afternoon: Large three months 670.0, 69.0. Kerb: Large three months 669, 70, 68.

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffial	+ or —
Spot	656.20p	+2.50	654.5p	+2.0
3 months.	670.70p	+2.35	669.0p	+1.75
6 months.	686.95p	+3.00	—	......
12 months	721.90p	+2.25	—	......

Silver was fixed 2.5p an ounce higher for spot delivery in the London bullion market yesterday at 656.2p. U.S. equivalents of the fixing levels were: spot $9.105, up 1.7c: three-month $9.359, up 1.2c; six-month $9.55, up 2.5c; and 12-month $10.278, up 2.4c. The metal opened at 655-658p ($9.09-$9.12) and closed at 652-655p ($9.05-$9.08).

COCOA

Futures opened steady making life-of-contract highs in the current crop positions. During the afternoon profit-taking caused the market to work lower, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	2045-48	+0.5	2070-50
July	2058-59	+5.0	2084-50
Sept	2058-54	+3.0	2078-50
Dec	1893-95	+0.5	1916-82
March	1853-56	+0.5	1872-50
May	1850-55	−4.0	1875-55
July	1856-57	+2.0	1866-55

Sales: 5,044 (5,133) lots of 10 tonnes.

ICCO Indicator prices—(U.S. cents per pound). Daily prices for May 23: 123.08 (123.81): five-day average for May 24: 122.58 (122.44).

COFFEE

Mixed early dealings confirmed the present sentiment in Robustas as gains of £20-£50 were made on the opening, reports Drexel Burnham Lambert. Profit-taking and mixed dealer selling during a lively afternoon slightly tempered the rise but a late rally on forward positions mostly retrieved earlier gains.

COFFEE	Yesterd'ys Close	+ or —	Business Done
May	2475-00	+40.0	2510-94
July	2510-14	+14.5	2545-10
Sept	2455-57	+39.5	2470-50
Dec	2440-41	+46.5	2460-10
January	2370-75	+51.0	2382-50
March	2310-15	+72.0	2310-55
May	2265-70	+71.0	2260-85

Sales: 6,029 (4,975) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) fob May 22: Comp. daily 1979 154.33 (155.65); 15-day average 147.92 (147.23).

GRAINS

Business done—Wheat: May 124.85-124.80, July 127.15-126.50, Sept 107.25 only, Nov 110.50-110.25, Jan 113.30 only, March 116.25-116.00. Sales: 104 lots of 100 tonnes. Barley: May 120.50-120.25, Sept 106.85-106.70, Nov 109.85-109.70, Jan 112.95-112.80, March 115.65-115.40. Sales: 58 lots of 100 tonnes.

Old crop wheat came under profit-taking to lose 65p before meeting light shipper buying. Barley eased £1.25 before its May contract expired. New crops were quiet, losing early gains on hedge selling, reports Muirpace.

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterd'ys close	+ or —
May	124.85	−0.80	120.25	−1.25
July	126.95	−0.28	—	—
Sept	107.30	−0.10	106.70	−0.15
Nov	110.35	−0.05	109.75	−0.10
Jan	113.30	−0.10	112.85	−0.05
Mar	116.05	−0.10	115.50	−0.15

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent June 144.25, July 143.25, Aug 140.75, Sept 138.75 sellers transhipment East Coast: English feed fob June 130 seller. Maize: U.S. No 3 Yellow/French May 147.50 seller East Coast. Barley: English feed fob May/June 126-128.50 East Coast Scotland. Sorghum: U.S./Argentina/French mid-May/mid-June 138 quoted cif tree out. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 120.00, E Mids 121.40, N East 121.01. The UK monetary coefficient for the week beginning Monday May 28 is expected to remain unchanged.

PIGMEAT

The spot month continued to strengthen on stop-loss and fresh buying, while forwards showed only small gains. The AAPP, at 108.58p a kg (+1.61p), had little effect in the face of easier physical prices, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
June	122.6	121.4	122.7-121.8
Aug	117.6	117.1	117.6-117.4
Oct	120.5	120.4	120.7-120.5
Nov.	120.5	120.5	121.0-120.5
Feb	118.2	118.0	—
April	117.9	117.6	118.0-117.5

Sales: 101 (57) lots of 50 carcases, 3,250 kilos.

POTATOES

Old crop May fell sharply in early trade but recovered most of the loss. New crop positions rose slightly and closed around mid-range, reports Coley and Harper.

Month	Yesterd'ys close	Previous close	Business Done
	£ per tonne		
May	260.00	286.50	295.0-265.0
Nov.	74.80	73.50	75.00-72.50
Feb	82.80	83.00	83.00
April	95.20	93.50	97.00-95.10
May	105.10	103.70	105.50

Sales: 663 (561) lots of 40 tonnes.

RUBBER

PHYSICALS—The London market opened easier, attracted little interest throughout the day and closed quiet but slightly steadier, reports Lewis and Peat. Closing prices (buyers): spot 69.75p (same): June 73.50p (73.75p): July 74.50p (74.75p). The Kuala Lumpur June fob price for RSS No 1 was 222.0 (220.75) cents a kg and for SMR 20 was 211.0 (210.0).

FUTURES — Close (buyer, seller, business). RSS No 1. £ per tonne. June 695, 710, nil; July 712, 725, nil; Aug 729, 732, nil; Sept 740, 742, nil; Oct 750, 752, nil; Nov 758, 760, 758; Dec 768, 769, 768-765; Jan 776, 780, nil; Feb 777, 784, nil; July/Sept 729, 730, 730; Oct/Dec 759, 762, nil; Jan/March 780, 781, 780-771. Sales: 22 (35) lots of 15 tonnes, 15 (3) lots of 5 tonnes.

SOYABEAN MEAL

The market opened unchanged to 50p up in quiet conditions, reports T. G. Roddick. A very mixed day of trade ensued with the market eventually easing slightly.

	Yestday's close	+ or —	Business Done
	£ per tonne		
June	155.50-56.00	—	155.20-54.80
August	154.00-54.50	−0.80	155.50-54.80
October	155.50-57.00	−1.15	156.00
Dec	157.50-57.00	−0.85	158.00-57.00
Feb.	158.50-59.50	−1.00	—
Apr.	158.50-60.00	−0.75	—
June	157.50-60.00	−0.75	—

Sales: 79 (89) lots of 100 tonnes 0 (0) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £110.00 ($153.00), down £3.00 (down $4.00), a tonne for May-June-July delivery. White sugar $161.50, down $4.00.

Reports that Venezuela had cancelled some 250,000 tonnes outstanding from a direct purchase from Brazil produced a weaker tone, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Aug	157.20-57.40	162.20-62.40	161.40-57.00
Oct	168.50-68.00	170.40-71.80	171.00-66.80
Dec	175.50-74.00	178.00-78.40	177.60-75.50
Mar.	191.80-92.00	196.20-96.40	196.80-92.00
May	196.00-98.00	202.00-03.60	—
Aug	208.20-07.00	211.08-11.20	—
Oct	214.00-15.00	219.00-20.00	—

Sales: No 6 2,430 (2,621) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £215.00 (£215.50) a tonne for export.

International Sugar Agreement — (U.S. cents per pound fob and stowed Caribbean ports). Prices for May 22: Daily price 5.82 (5.86): 15-day average 5.58 (5.59).

COTTON

LIVERPOOL—No spot and shipment sales were registered. Business was lethargic and traders avoided forward commitments. Users were content with existing supplies.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). May 440, 442, 442-438; Aug 452, 454, 454-452; Oct 452, 453, 453-452; Dec 455, 456, 456-455; Jan 455, 457, 457; March 465, 467, 466; May 474, 475, 475-474; Aug 485, 490, 486-485; Oct 486, 491, nil. Sales: 56.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 560.0, 568.0, 565.0-561.0; July 578.5, 580.0, untraded; Oct 567.0, 571.0, 570.0; Dec 574.0, 575.0, 575.0; March 582.0, 584.0, 583.5-583.0; May 590.0, 595.0, untraded; July 598.0, 600.0, untraded; Oct 593.0, 596.0, untraded. Sales: 37.

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 108.0p a kg withdrawn (109.8p): 26-30.5 kg, 115.0p a kg withdrawn (118.3p): 22-25.5kg, 123.0p a kg withdrawn (124.9p). Cows: 25.5 kg, 123.0p a kg withdrawn (122.0p).

Manchester (Leeds). Ox: 31-35.5 kg 109.4p a kg withdrawn (108.0p withdrawn): 26-30.5 kg, 116.1p a kg with drawn (115.0p withdrawn): 22-25.5 kg, 124.3p a kg withdrawn (123.0p withdrawn). Cows: 25.5 kg, 124.6p a kg (123.0p withdrawn).

INDICES

FINANCIAL TIMES

May 22	May 21	M'th ago	Year ago
318.32	323.30	309.25	276.78

(Base July 1 '52=100)

REUTERS

May 23	May 22	M'th ago	Year ago
2012.8	2010.7	2008.6	1825.8

(Base: September 18 1931=100)

MOODY'S

May 22	May 21	M'th ago	Year ago
1078.5	1080.8	1076.5	1061.7

(Base: December 31 1974=100)

DOW JONES

Dow Jones	May 22	May 21	Month ago	Year ago
Spot	141.99	141.66	141.36	148.44
Fut's	143.67	145.17	148.53	149.5

(Base: December 31 1974=100)

MEAT/FISH

COVENT GARDEN—Prices for the bulk of produce, in sterling per package unless otherwise stated. English produce: Apples—Per pound Bramley 0.20-0.26, Ida Red 12.00-18.00, Winston 22.00-24.00. Pears — Per pound Conference 0.14-0.26. Strawberries—½ lb 0.35, ½ lb 0.60-0.70. Potatoes—Whites 6.20-6.60, Edwards 6.50-7.20, Bakers 8.50-9.50; per pound Isle of Wight 0.28-0.30. Mushrooms—Per pound open 0.50-0.65, closed 0.70-0.80. Lettuce—Per tray round 1.00-1.40, Cos dozen 2.00, Webb's 2.40, Iceberg 12's 8.00-8.40, 15's 7.00-7.50. Onions—Per 55 lb 12.00-14.50. Beetroots — 28 lb round 2.80-3.00. Carrots — 28 lb 3.00-4.00, bunches 10's 3.00. Greens—30 lb Kent 1.20-1.50. Leeks—Per pound 0.15-0.18. Tomatoes — Per pound 0.40-0.45. Cucumbers — Tray 2.00-2.20. Cauliflowers—Dozen Kent 3.60-4.00, Lincoln 3.20-3.40. Spring onions—Bunch 0.09-0.10. Rhubarb—Outdoor per pound 0.08-0.10. Radishes — Bunched 0.10-0.12. Asparagus—Per pound 1.00-1.60. Celery —4.00-4.50. Courgettes—Isle of Wight per pound 0.50. Watercress — 20's 2.50-2.80. Ice Pack 20's 3.40-3.50. Salad —Crispa 16's 1.00-1.10.

SMITHFIELD—Pence per pound. Beef —Scotch killed sides 79.0 to 85.0: English forequarters 51.5 to 56.5. Veal —Dutch hinds and ends 122.0 to 126.5. Lamb—English small (new season) 82.0 to 88.0, medium (new season) 76.0 to 84.0, heavy (new season) 74.0 to 78.0: Imported: New Zealand PL (new season) 67.5 to 68.5. Pork—English under 100 lb 54.0 to 60.5, 100-120 lb 55.0 to 59.0, 120-160 lb 48.0 to 56.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 102.06p per kg lw (+1.70). GB—Sheep 158.34p per kg est dcw (−36.77). GB—Pigs 88.00p per kg lw (−0.39). GB—AAPP 108.58p per kg dw (+1.61).

AMERICAN MARKETS

NEW YORK, May 23.

PRECIOUS METALS reflected the weakness in the currencies and sold off moderately on long liquidation, reports Heinold Commodities. Copper prices were marginally lower mostly on arbitrage selling with a very weak pound sterling. Aluminium prices managed to overcome the negative aspects of arbitrage and closed marginally higher on strong trade support. Profit-taking, technical selling and massive liquidation produced sharply lower prices in coffee; also, expectations of a further increase in next year's quota had a negative impact on the market. Sugar prices were lower on technical selling and arbitrage which touched off stop-loss selling. Cocoa prices came under heavy selling from commission houses following trade hedging; stop-loss selling increased the downside pressure. Heating oil prices were moderately lower on a neutral stock report; absence absence of any further disquieting news from the Middle East and lack of spot demand carried the prices lower. Soyabeans and grains finished mixed after selling lower most of the day; early selling by professional and local traders, triggered by a major commission house liquidation depressed the markets to critical support levels; however, bullish weather news from the Soviet Union attracted new buying on the close.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
May	61.70	61.55	61.55	61.40
June	61.90	—	—	61.60
July	62.40	62.60	61.80	62.10
Sept	63.30	63.30	62.95	63.15
Dec	64.65	65.15	64.35	64.70
Jan	65.15	—	—	65.25
March	66.15	—	—	66.35
May	67.15	—	—	67.45
July	68.15	—	—	68.55
Sept	69.15	—	—	69.65

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
July	2685	2719	2660	2730
Sept	2682	2732	2675	2739
Dec	2530	2584	2615	2577
March	2475	2520	2475	2537
May	2529	—	—	2530

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
July	152.24	55.50	51.40	54.59
Sept	152.41	55.40	51.75	54.09
Dec	152.19	54.50	51.75	52.75
March	151.38	53.50	50.90	51.46
May	150.00	51.75	50.00	50.60
July	149.13	—	—	49.20
Sept	148.00	47.50	47.50	46.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
May	63.25	63.55	63.20	63.60
June	63.35	—	—	63.75
July	64.00	64.55	63.80	64.40
Sept	65.40	65.95	65.20	65.80
Dec	67.50	68.00	67.35	67.90
Jan	68.20	—	—	68.60
March	69.55	70.00	69.50	69.95
May	70.95	71.00	70.70	71.35
July	72.35	72.75	72.65	72.75
Sept	73.80	74.30	74.00	74.20

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	85.00	85.05	84.21	84.79
Oct	80.68	81.00	80.25	80.85
Dec	77.30	77.35	77.00	77.34
March	78.30	78.35	78.14	78.27
May	78.85	—	—	78.80
July	79.00	—	—	79.05
Oct	76.90	—	—	77.02

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
July	30.68	30.68	30.50	30.67
August	30.72	30.76	30.64	30.78
Sept	30.77	30.79	30.71	30.81
Oct	30.79	30.80	30.73	30.86
Nov	30.79	30.80	30.75	30.84
Dec	30.79	30.79	30.75	30.82
Jan	30.77	30.77	30.77	30.79
Feb	30.70	30.77	30.77	30.65
March	30.70	30.77	30.77	30.66

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
May	376.6	377.0	377.0	379.7
June	377.2	380.4	377.0	380.4
July	380.7	—	—	383.9
August	384.1	387.5	384.0	387.3
Oct	391.8	395.7	392.0	395.0
Dec	399.9	403.5	400.0	403.2
Feb	408.2	411.0	408.4	411.6
April	416.7	420.0	417.2	420.0
June	425.7	428.0	426.1	429.0
August	435.1	—	—	438.4
Oct	444.6	—	—	447.9
Dec	454.5	—	—	457.8
Feb	464.5	465.8	465.8	467.8

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
June	81.20	82.25	81.10	82.01
July	81.30	82.20	81.15	82.02
Aug	82.05	82.45	81.85	82.64
Sept	83.00	83.50	83.00	83.40
Oct	83.95	84.50	83.80	84.45
Nov	84.70	85.40	84.35	85.30
Dec	85.35	85.35	85.35	86.05
Jan	—	—	—	86.55
Feb	85.80	—	—	86.55
March	83.00	83.00	83.00	—

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
July	180.70	82.35	80.00	80.75
Sept	180.65	82.20	80.00	80.60
Nov	180.25	81.50	79.80	79.50
Jan	180.25	81.20	79.60	79.15
March	179.60	—	—	78.76
Sept	179.00	78.75	78.50	78.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
May	383.6	388.1	388.1	393.0
June	387.1	—	—	393.5
July	390.6	396.5	390.0	397.0
Oct	399.3	405.0	400.0	405.3
Jan	407.7	412.0	408.0	413.7
April	416.1	421.8	416.9	422.1
July	424.6	427.2	427.2	430.6

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	897.5	911.5	900.0	911.0
June	898.0	915.0	915.0	912.0
July	907.0	924.0	905.0	921.0
Sept	926.7	942.0	918.0	940.0
Dec	954.2	970.0	952.0	968.8
Jan	964.1	—	—	978.8
March	984.3	1002.0	983.0	999.2
May	1005.0	—	—	1020.1
July	1027.0	1036.0	1031.0	1042.2
Sept	1050.1	—	—	1065.3

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
July	5.66	5.85	5.60	5.89
Sept	5.98	6.14	5.90	6.19
Oct	6.19	6.38	6.13	6.42
Jan	6.82	6.92	6.85	7.00
March	7.34	7.50	7.30	7.56
May	7.61	7.77	7.59	7.83
July	7.88	8.06	7.88	8.11
Sept	8.28	8.33	8.33	8.43
Oct	8.35	8.50	8.47	8.58

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	65.82	66.00	65.77	66.10
Aug	63.97	64.10	63.85	64.12
Oct	63.06	63.10	62.92	63.22
Dec	64.27	64.27	64.10	64.32
Feb	64.72	64.75	64.50	64.77
April	65.56	65.80	65.30	65.70

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
June	53.62	53.70	53.10	53.45
July	57.45	57.50	56.57	57.12
Aug	58.57	58.65	57.72	58.20
Oct	56.67	56.70	56.25	56.45
Dec	56.82	58.85	58.15	58.52
Feb	56.97	57.00	56.27	56.50
April	52.30	52.35	51.80	51.95
June	55.20	55.20	54.75	54.92
July	54.90	54.90	54.90	54.90

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
July	354.0	354.4	352.4	355.2
Sept	327.6	327.6	325.4	328.4
Dec	303.4	303.6	300.4	303.4
March	312.2	312.2	309.6	312.4
May	316.2	316.4	314.2	365.6
July	315.4	318.4	316.4	318.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	65.42	65.65	64.85	65.70
July	66.62	66.95	64.40	65.25
Aug	65.27	65.45	63.35	64.10
Feb	77.52	77.60	76.50	77.27
March	76.80	76.80	76.80	76.55
May	77.95	77.95	77.00	77.75
July	79.00	79.00	78.10	78.75
Aug	76.80	76.80	76.00	76.50

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
July	887.4	889.0	872.4	888.6
August	873.0	874.0	859.0	874.0
Sept	785.6	791.0	785.0	793.6
Nov	738.4	739.0	735.0	740.0
Jan	748.6	749.0	745.0	749.0
March	759.0	759.0	756.0	761.4
May	767.0	767.0	765.4	769.0
July	771.0	771.0	769.0	772.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	203.8	204.5	201.0	206.2
August	205.8	206.0	202.8	207.2
Sept	189.0	199.5	196.0	199.2
Oct	187.5	187.5	185.5	187.5
Dec	188.2	188.5	187.0	188.0
Jan	189.0	190.0	188.0	189.0
March	191.5	192.5	191.0	191.8
May	194.25	—	—	194.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
July	38.20	38.66	37.85	39.12
August	37.20	37.76	36.10	37.98
Sept	35.35	35.35	34.26	35.82
Oct	32.28	32.30	31.43	32.55
Dec	30.22	30.26	29.85	30.60
Jan	29.80	29.80	29.15	29.97
March	29.30	29.90	28.80	29.60
May	29.35	—	—	29.87
July	28.95	—	—	29.80

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	367.6	369.2	363.0	367.6
Sept	368.6	370.2	364.4	368.0
Dec	384.4	385.6	379.0	384.4
March	394.4	394.4	390.0	394.4
May	397.4	398.4	393.0	397.0
July	387.4	—	—	388.0

SPOT PRICES—Chicago loose lard 35.00 (same) cents per pound. New York tin 582.0-89.0 (582.0-88.0) cents per pound.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound at record closing low

Sterling fell to a record closing *low of $1.3800-1.3810 against the* dollar, a loss of 85 points on the day, partly because of the strength of the dollar, but also as a result of the statement by Mr Arthur Scargill, president of the National Union of Mineworkers, about the failure of talks with the National Coal Board. The pound and other *currencies continued to decline* in New York after the close of European trading, with sterling soon touching $1.3760, compared with the lowest level in London of $1.3775. It opened in London at $1.3880-1.3890, near the day's high of $1.3900. After opening at 79.8, when the rate against the dollar was $1.3882, sterling's *trade-weighted index remained* at 79.8 at noon, but weakened to close at 79.5, on a dollar rate of $1.3847, compared with 80.0 on Tuesday.

The pound also lost ground to other major currencies, falling *to DM 3.80 from DM 3.8150;* FFr 11.6750 from FFr 11.72; SwFr 3.1375 from SwFr 3.1525; and Y320 from Y324.25.

The dollar opened weak, but gained support after it held above the important resistance level of DM 2.7320 against the D-mark. A high Federal funds overnight rate in New York, and *the belief that U.S. interest rates* will stay firm despite the problems of Continental Illinois *National Bank, and the debtor* nations of Latin America, pushed the dollar up sharply around the *time of* the London close. It advanced to DM 2.7505 from DM 2.7440; FFr 8.4575 from FFr 8.44; and SwFr 2.2710 from SwFr 2.2670, but fell to Y231.60 from Y233.35 against the Japanese yen.

News of a draft agreement between Japan and the U.S. to open Japanese capital markets and create a wider international role for the yen created strong demand for the Japanese currency, and at one time the dollar fell to Y229.45.

On Bank of England figures *the dollar's trade-weighted index* fell to 131.0 from 131.4, but this was calculated well before the *dollar's late surge.*

D-MARK — Trading range against the dollar in 1984 is *2.8425 to 2.5535.* April average 2.6435. Trade weighted index 125.2 against 125.1 six months ago.

The D-mark showed modest gains against its European partners at yesterday's fixing in Frankfurt *but was placed below* its best level against the dollar as the latter attracted demand at its lower levels. The dollar was fixed at DM 2.7388 from DM 2.7445 on Tuesday and the Bundesbank sold $12.55m at the fixing. Sterling slipped to DM 3.7980 from DM 3.8160 and the Swiss franc was lower at DM 1.2105 from DM 1.2110¼. Within the EMS, the French franc eased to DM 32.5 per FFr 100 from DM 32.53 and the Dutch guilder slipped to DM 88.85 per Fl 100 from DM 88.90. The Belgian franc was unchanged at DM 4.9210 per BFr 100.

BELGIAN FRANC—Trading range against the dollar in 1984 is 57.92 to 52.24. April average 53.98. *Trade weighted index 90.1* against 90.0 six months ago.

There was no intervention by the Belgian central bank in the week ending May 21, according to figures released yesterday. This was the seventh consecutive week that the authorities had abstained from giving the Belgian franc any support and highlighted the recent *stability* within the EMS. While remaining comfortably placed against the D-mark, it was a little lower, reflecting the dollar's softer tone over the past few days.

The D-mark was a little firmer at the fixing at BFr 20.3252½ from BFr 20.3250 while the French franc slipped to BFr 6.6077½ *from BFr 6.61. The dollar was* lower at BFr 55.72 compared with BFr 55.7750 as was sterling at BFr 77.3050 from BFr 77.5275.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.5068	+1.35	+1.29	±1.5447
Danish Krone ...	8.14104	8.20873	+0.81	+0.75	±1.6425
German D-Mark	2.24184	2.23861	−0.14	−0.20	±1.0642
French Franc ...	6.87456	6.89173	+0.25	+0.19	±1.4052
Dutch Guilder ...	2.52595	2.52022	−0.23	−0.29	±1.4964
Irish Punt	0.72569	0.728483	+0.38	+0.32	±1.6689
Italian Lira	1403.49	1380.10	−1.67	−1.67	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	May 23	Prev. close
Spot	$1.3785-3795	$1.3885-3895
1 month	0.25-0.28 dis	0.26-0.27 dis
3 months	0.83-0.87 dis	0.85-0.85 dis
12 months	3.60-3.70 dis	3.64-3.73 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

May 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	4.26⅝-4.29⅝	4.27-4.28	1¼-⅞c pm	2.81	3½-3¼ pm	3.16
Belgium	76.95-77.45	77.10-77.20	16-21c dis	−2.88	41-51 dis	−2.38
Denmark	13.88-13.96	13.90-13.91	1½-2½ore dis	−1.78	5¼-6¼ dis	−1.71
Ireland	1.2360-1.2465	1.2350-1.2360	0.28-0.37p dis	−3.20	0.84-0.99dis	−2.96
W. Ger.	3.78½-3.81	3.79½-3.80½	1¼-⅞pf pm	3.16	3¼-3 pm	3.29
Portugal	192-194	192-193	115-260c dis	−11.69	365-790dis	−12.00
Spain	211.75-213.00	211.90-212.10	110-130c dis	−6.79	350-380 dis	−6.89
Italy	2,332-2,346	2,336-2,338	12-15 lire dis	−6.93	37-40 dis	−6.59
Norway	10.77-10.84	10.77-10.78	3¼-4¼ore dis	−4.52	9¼-10 dis	−3.57
France	11.66-11.72	11.67-11.68	3¼-3½c dis	−3.60	9½-11¼ dis	−3.60
Sweden	11.13-11.20½	11.13½-11.14½	1⅞-2⅞ore dis	−2.22	4½-5½ dis	−1.77
Japan	318½-323	319½-320½	0.70-0.65y pm	2.53	2.35-2.25 pm	2.87
Austria	26.57-26.76	26.62-26.67	4½-3½gro pm	1.83	16½-13½ pm	2.22
Switz.	3.12½-3.15¼	3.13¼-3.14¼	1½-1¼c pm	5.26	4¼-4 pm	5.34

Belgian rate is for convertible francs. Financial franc 77.95-78.05. Six-month forward dollar 1.75-1.80c dis, 12-month 3.65-3.75c dis.

THE DOLLAR SPOT AND FORWARD

May 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ireland†	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	1.2930-1.2950	1.2945-1.2950	0.04-0.01c pm	0.23	0.08-0.05 pm	0.20
Nethlnd.	3.0800-3.0870	3.0950-3.0970	1.30-1.27c pm	5.00	4.30-4.28 pm	5.55
Belgium	55.60-55.90	55.87-55.89	2-3½c dis	−0.59	1 pm-2 dis	−0.03
Denmark	10.02¼-10.08¼	10.08¼-10.09¼	1¼-¼ore pm	1.19	3.30-2.80 pm	1.21
W. Ger.	2.7340-2.7570	2.7500-2.7510	1.24-1.19pf pm	5.32	3.94-3.89 pm	5.72
Portugal	139.25-140.00	139.25-139.75	60-160c dis	−9.46	180-480 dis	−9.46
Spain	153.05-153.60	153.50-153.60	50-60c dis	−4.30	150-170 dis	−4.17
Italy	1,686½-1,690½	1,690½-1,694½	6-6½ lire dis	−4.44	16½-17½dis	−4.03
Norway	7.7940-7.8100	7.8050-7.8100	1.15-1.65ore dis	−2.15	1.90-2.40dis	−1.10
France	8.4000-8.4700	8.4550-8.4600	0.90-1.40c dis	−1.64	4.00-4.50dis	−2.01
Sweden	8.0590-8.0750	8.0700-8.0750	¼ore pm-¼ dis	—	1½-1¼ pm	0.74
Japan	229.45-232.95	231.55-231.65	0.92-0.89y pm	4.71	3.07-3.03 pm	5.30
Austria	19.22½-19.30	19.29-19.30	6.90-6.40gro pm	4.14	23.50-21.50pm	4.67
Switz.	2.2560-2.2780	2.2705-2.2715	1.46-1.36c pm	7.49	4.46-4.36 pm	7.81

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.47-56.52.

OTHER CURRENCIES

May. 23	£	$		£ Note Rates
Argentina Peso	*57.89-58.02	41.83-41.89	Austria	26.60-26.90
Australia Dollar	1.5280-1.5300	1.1055-1.1060	Belgium	77.90-78.70
Brazil Cruzeiro	2,112.0-2,124.6	1,526-1,534	Denmark	13.86-14.00
Finland Marka	7.9945-8.0200	5.8050-5.8100	France	11.64-11.76
Greek Drachma	149.80-150.80	107.90-108.20	Germany	3,78½-3.82½
Hong Kong Dollar	10.82-10.82¾	7.8160-7.8180	Italy	2330-2360
Iran Rial	122.25*	88.10*	Japan	321-326
Kuwait Dinar (KD)	0.40960-0.41005	0.29565-0.29575	Netherlands	4.26-4.30
Luxembourg Fr.	77.10-77.20	55.87-55.89	Norway	10.77-10.88
Malaysia Dollar	3.1730-3.1825	2.2950-2.2980	Portugal	188-195
New Zealand Dlr.	2.1275-2.1325	1.5395-1.5415	Spain	204½-214½
Saudi Arab. Riyal	4.8780-4.8825	3.5210-3.5215	Sweden	11.13-11.24
Singapore Dollar	2.8900-2.8955	2.0910-2.0960	Switzerland	3.12¾-3.15¾
Sth African Rand	1.7710-1.7730	1.2830-1.2845	United States	1.37¾-1.39¾
U.A.E. Dirham	5.0875-5.0930	3.6720-3.6730	Yugoslavia	184-204

* Selling rates.

CURRENCY MOVEMENTS

May. 23	Bank of England Index	Morgan Guaranty Changes %
Sterling	79.5	−11.3
U.S. dollar	131.0	+19.7
Canadian dollar	88.7	−3.3
Austrian schilling	115.6	+4.2
Belgian franc	90.1	−10.7
Danish kroner	78.0	−6.3
Deutsche mark	125.2	−7.7
Swiss franc	146.6	+10.4
Guilder	114.7	+4.4
French franc	65.9	−15.6
Lira	48.3	−12.8
Yen	158.9	+14.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

May 23	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.749903	0.588299
U.S. $	9	1.04034	0.816265
Canadian $	11.63	*	1.05625
Austria Sch.	4¼	20.0099	15.6968
Belgian Fr	11	57.9677	45.5068
Danish Kr.	7	10.4368	8.20873
D'mark	4	2.84928	2.23861
Guilder	5	3.20893	2.52022
French Fr.	9½	8.78307	6.89173
Lira	15½	1758.07	1380.10
Yen	5	242.139	190.087
Norwgn Kr.	8	8.10997	6.37217
Spanish Pta.	—	159.510	126.191
Swedish Kr.	8½	8.38826	6.58930
Swiss Fr	4	2.35356	1.84808
Greek Dr'ch	20½	112.482	88.2627

* C$/SDR rate for May 22: 1.34672.

EXCHANGE CROSS RATES

May 23	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.381	3.800	320.0	11.675	3.138	4.275	2357.	1.788	77.15
U.S. Dollar	0.724	1.	2.751	231.6	8.456	2.271	3.096	1694.	1.295	55.88
Deutschemark	0.263	0.363	1.	84.21	3.072	0.826	1.125	615.0	0.470	20.30
Japanese Yen 1,000	3.125	4.314	11.88	1000.	36.48	9.808	13.36	7303.	5.586	241.1
French Franc 10	0.857	1.182	3.255	274.1	10.	2.687	3.662	2002.	1.531	66.08
Swiss Franc	0.319	0.440	1.211	102.0	3.721	1.	1.363	744.9	0.570	24.59
Dutch Guilder	0.234	0.323	0.889	74.85	2.731	0.734	1.	546.7	0.418	18.05
Italian Lira 1,000	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1000.	[illegible]	[illegible]
Canadian Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.	[illegible]
Belgian Franc 100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	100.0

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Asian $ (closing rates in Singapore): [illegible] Long-term Eurodollars [illegible] Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Slightly firmer tone in London

Interest rates were slightly firmer on the London money market yesterday, but trading was generally quiet. Eurodollar rates were steady after a gradual decline recently, but Federal funds have been firmer, and expectations that U.S. rates will remain relatively high despite Continental Illinois and the debt problems of Latin America created a slightly more nervous tone. Three-month interbank money was unchanged at 9⅛ per cent, while discount houses buying rates for three-month bank bills rose to [illegible] per cent from [illegible] per cent.

UK clearing banks' base lending rate 9¼ per cent (since May 10 and 11)

The Bank of England forecast a market shortage of £150m in the morning, but this was revised to £200m at noon. Total help provided was £175m, all through purchases of long dated bills at an unchanged rate.

Funds flowed back into the market on the unwinding of Tuesday's intervention when the Bank of England sold £398m bills maturing yesterday. After taking account of bills maturing in the hands of the authorities and a take-up of Treasury bills by the market, this led to a net inflow of £193m. It was outweighed by Exchequer transactions draining £230m; a rise in the note circulation of £125m, and bank balances below target of £10m.

In the morning the Bank of England bought £125m bank bills in band 4 (64-91 days maturity) at [illegible] per cent, and in the afternoon purchased another £50m bank bills in band 4 at [illegible] per cent.

In Amsterdam call money fell to [illegible] per cent from [illegible] per cent, reflecting comfortable conditions in the local money market. The Dutch National Bank made a special advance of Fl 3.245bn to the market last week for two weeks, which is longer than dealers think necessary. The current quota is also in its early stages and this has helped to ease pressure on interest rates. Seasonally high Government disbursements are also exceeding funds flowing into the Dutch Exchequer at present, and this is expected to keep interest rates steady at least until May 29 when the special advance expires. Fixed period rates were about [illegible] per cent easier yesterday, with one-month money falling to [illegible] per cent from [illegible] per cent, and three-month to [illegible] per cent from [illegible] per cent.

MONEY RATES

May 23	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lombard	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Intervention	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

May 23 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. May 23)

3 months U.S. dollars: bid 11 1/2, offer 11 5/8

6 months U.S. dollars: bid 12 1/8, offer 12 1/4

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Four years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Five years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ECGD Fixed Rate Export Finance Scheme IV: Average Rate of interest period April 4 to May 1 1984 (inclusive): [illegible] Treasury Bills: Average tender rate of discount [illegible]

MONEY RATES — NEW YORK (Lunchtime)

Prime rate	[illegible]
Broker loan rate	[illegible]
Fed funds	[illegible]
Fed funds at intervention	[illegible]

Treasury Bills

One month	[illegible]
Two month	[illegible]
Three month	[illegible]
Six month	[illegible]
One year	[illegible]

Treasury Bonds

Two year	[illegible]
Three year	[illegible]
Four year	[illegible]
Five year	[illegible]
Seven year	[illegible]
10 year	[illegible]
30 year	[illegible]

FINANCIAL FUTURES

Confused trading

Trading was a little confused in the Euro-dollar sector of the London International Financial Futures Exchange yesterday. Values were marked up a little at the opening but made heavy weather for the rest of the morning. Dealers noted a shift from *June to September as the former* nears delivery. The September contracted closed weaker at 87.32 from 87.34, having opened at 87.32. The June contract was firmer however, highlighting its weakness in relation to the cash market.

There was a brief attempt at a sell off after the opening of *U.S.* centres but values soon rallied to finish at the middle of the day's range. There was some confusion over Tuesday's economic statistics from the U.S. and the bearish tone in the September contract and beyond was exacerbated by the Senate's refusal to raise the Government's debt ceiling.

Gilt prices opened firmer after late rises in the U.S. bond market. There was little follow through demand however and a softer opening in the U.S. pushed values lower in the afternoon *with losses accelerated by sterling's* record closing low against the dollar. The June price opened at 103-18 up from 103-15 and touched a best level of 103-28 before easing to finish at 103-12.

Short sterling was rather quiet and featureless, slipping away on sterling's weakness.

FT-SE contracts attempted an *early rally but soon attracted* selling and moved quickly to new lows in the morning. This attracted profit taking and support at the lower levels, sparked off by bargain hunting in the cash market, helped values to recover a little lost ground.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	88.28	88.30	88.24	88.24
Sept	87.32	87.38	87.29	87.34
Dec	86.82	86.88	86.79	86.86
March	86.45	86.49	86.42	86.48
June	86.14	86.20	86.14	86.17

Volume 4,615 (5,933)
Previous day's open int 14,115 (13,820)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100% — [illegible]

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100% — [illegible]

STERLING £25,000 $ per £ — [illegible]

DEUTSCHE MARKS DM 125,000 $ per DM — [illegible]

SWISS FRANCS SwFr 125,000 $ per SwFr — [illegible]

JAPANESE YEN Y12.5m $ per Y100 — [illegible]

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
June	105.35	107.25	105.20	106.75
Sept	104.90	106.75	104.80	106.20
Dec	106.10	108.00	106.00	107.50

Volume 1,065 (782)
Previous day's open int 806 (872)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100% — [illegible]

U.S. TREASURY BILLS (IMM) $1m points of 100% — [illegible]

CERT. DEPOSIT (IMM) $1m points of 100% — [illegible]

THREE-MONTH EURODOLLAR (IMM) $1m points of 100% — [illegible]

STERLING (IMM) Se per £ — [illegible]

GNMA (CBT) 8% $100,000 32nds of 100% — [illegible]

Contracts & Tenders

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

PUBLIC CORPORATION FOR ELECTRIC POWER

The Public Corporation for Electric Power invites tenders for the following contract:

HISWA 33kV CABLES CONTRACT 3708A

[illegible]

Public Notices

COMPETITION ACT 1980

COMPETITION REFERENCE UNDER SECTION 5

FORD MOTOR COMPANY LIMITED

[illegible]

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 23.

U.S. DOLLAR STRAIGHTS | DEUTSCHE MARK STRAIGHTS | SWISS FRANC STRAIGHTS | YEN STRAIGHTS | OTHER STRAIGHTS | FLOATING RATE NOTES | CONVERTIBLE BONDS

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

CAPITAL MARKETS

Toyo Trust seeks $100m with floater

BY MARY ANN SIEGHART IN LONDON

TOYO TRUST is raising $100m through a 15-year floating rate note in the Eurodollar bond market. Led by Credit Suisse First Boston with Toyo Trust International, Nomura International and Salomon Brothers, the bond has a put option for investors after eight, 10 and 12 years.

The coupon is ⅛ point over the six-month London interbank offered rate (Libor) with front-end fees of 0.60 per cent. This gives a straight-line, all-in cost up to the first put option of 0.20 per cent over Libor. The issue traded at a 0.50 per cent discount.

The Bank of Tokyo was seeking bids for a $100m fixed-rate bond yesterday. The issue, which might be launched today, will involve a swap into floating rate funds.

BHF Bank bond average		
May 23		Previous
99.016		99.006
High	1983-84	Low
100.009		98.096

Also due today or tomorrow is a DM 150m bond for the Council of Europe, postponed from yesterday. Lead manager will be BHF Bank.

The Japan Development Bank is raising SwFr 100m through a 10-year public bond led by SBC. The issue is likely to yield slightly less than 6 per cent and will be priced on Monday.

Secondary markets were quiet in dollar, D-Mark and Swiss francs, with prices closing unchanged to slightly better on the day.

OVER-THE-COUNTER

Stock | Sales (Hnds) | High | Low | Last | Chng

Continued from Page 42